

**ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2006**

**CITY OF WOODBURN**

**CITY OFFICIALS**  
**Year Ended June 30, 2006**

**Mayor**

Kathryn Figley  
(Term expires December 2006)  
601 S. Settlemier  
Woodburn, OR 97071

**Council Members**

	<u>Term Expires</u>
Richard Bjelland 888 Wilson Street Woodburn, OR 97071	December 2008
Elida Sifuentez 860 E Lincoln Street Woodburn, OR 97071	December 2008
Pete McCallum 370 Ironwood Terrace Woodburn, OR 97071	December 2006
Jim Cox 1530 Ranier Way Woodburn, OR 97071	December 2006
Walter Nichols 1460 Willow Avenue Woodburn, OR 97071	December 2008
Frank Lonergan 245 N 2 <sup>nd</sup> Street Woodburn, OR 97071	December 2006

**Staff**

John Brown, *City Administrator*  
Janice Zyryanoff, *Municipal Judge*  
N. Robert Shields, *City Attorney*  
Ben Gillespie, *Finance Director*

# CITY OF WOODBURN

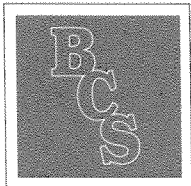
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**BOLDT, CARLISLE & SMITH LLC**

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of  
The City Council  
**CITY OF WOODBURN**  
Woodburn, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF WOODBURN** as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF WOODBURN**, as of June 30, 2006, the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General and Street Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages a through g is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A

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Established - 1968

SALEM: 480 CHURCH STREET S.E. ■ SALEM, OR 97301 ■ PHONE: (503) 585-7751 ■ FAX: (503) 370-3781

STAYTON: 408 NORTH THIRD AVENUE ■ STAYTON, OR 97383 ■ PHONE: (503) 769-2186 ■ FAX: (503) 769-4312

ALBANY: 1205 9TH AVENUE S.E. ■ ALBANY, OR 97322 ■ PHONE: (541) 928-6500 ■ FAX: (541) 928-6501

## INDEPENDENT AUDITOR'S REPORT (Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

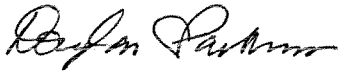
**Boldt, Carlisle & Smith, LLC**

Certified Public Accountants

Salem, Oregon

September 22, 2006

By:



Douglas C. Parham, Member

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Woodburn (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements in the financial section of this report.

### FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2006 by \$86,669,509 (*net assets*). Of this amount \$62,340,147 was invested in capital assets (net of related debt) and \$15,038,920 was restricted for specific purposes, leaving unrestricted net assets of \$9,290,442. Net assets include unrestricted net assets in the governmental activities of \$8,832,303 and \$458,139 in the business-type activities.

The largest portion of net assets is invested in capital assets (e.g., land, buildings, equipment and public infrastructure), less related outstanding debt that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

### NET ASSETS

	Governmental Activities (\$1,000's)		Business-type Activities (\$1,000's)		Totals (\$1,000's)	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
<u>Assets</u>						
Current and other assets	\$ 21,413	\$ 21,972	\$ 8,197	\$ 9,181	\$ 29,610	\$ 31,153
Capital assets	46,483	40,216	63,518	64,861	110,001	105,077
Total assets	67,896	62,188	71,715	74,042	139,611	136,230
<u>Liabilities</u>						
Long-term obligations	9,811	8,440	40,961	42,483	50,772	50,923
Other liabilities	1,138	722	1,031	1,572	2,169	2,294
Total liabilities	10,949	9,162	41,992	44,055	52,941	53,217
<u>Net assets</u>						
Invested in capital assets						
net of related debt	39,706	38,461	22,635	22,448	62,341	60,909
Restricted	8,409	6,593	6,630	7,088	15,039	13,681
Unrestricted	8,832	7,972	458	451	9,290	8,423
Total net assets	\$ 56,947	\$ 53,026	\$ 29,723	\$ 29,987	\$ 86,670	\$ 83,013

The major capital assets associated with governmental activities are streets (including right of way), storm sewers, and sidewalks. In the business-type activities, the major capital assets are sewer piping and plant and water piping and plant. Liquid assets, consisting of cash and investments, total \$26,897,464.

## CHANGES in NET ASSETS

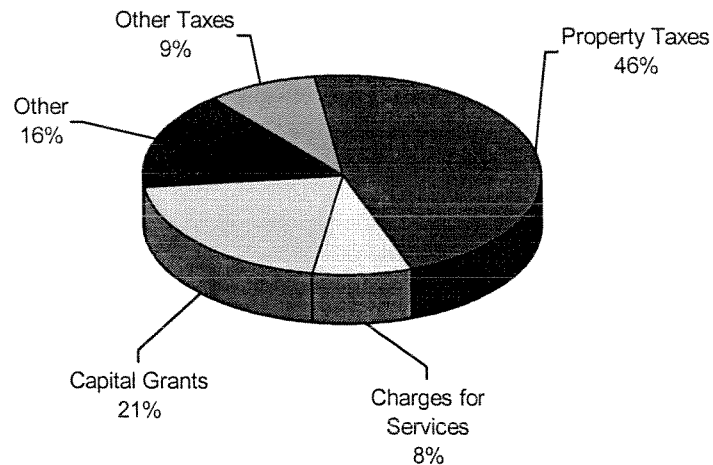
	Governmental Activities (\$1,000's)		Business-type Activities (\$1,000's)		Totals (\$1,000's)	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 1,253	\$ 1,051	\$ 6,628	\$ 6,145	\$ 7,881	\$ 7,196
Operating grants and contributions	41	61	-	-	41	61
Capital grants and contributions	1,589	2,092	1,032	864	2,621	2,956
General revenues						
Property taxes	7,253	6,166	-	-	7,253	6,166
Other taxes	1,391	1,206	-	-	1,391	1,206
Other grants and contributions	1,604	1,646	-	-	1,604	1,646
Other	2,252	918	292	176	2,544	1,094
Total revenues	15,383	13,140	7,952	7,185	23,335	20,325
<b>Expenses</b>						
General government	3,107	3,064	-	-	3,107	3,064
Public safety	3,678	3,686	-	-	3,678	3,686
Highways and streets	1,673	1,821	-	-	1,673	1,821
Culture and recreation	2,751	2,085	-	-	2,751	2,085
Interest on long-term obligations	401	150	-	-	401	150
Water	-	-	3,028	2,089	3,028	2,089
Sewer	-	-	5,040	4,849	5,040	4,849
Total expenses	11,610	10,806	8,068	6,938	19,678	17,744
Increase (decrease) in net assets before transfers	3,773	2,334	(116)	247	3,657	2,581
Transfers	148	128	(148)	(128)	-	-
Increase (decrease) in net assets	3,921	2,462	(264)	119	3,657	2,581
Net assets - beginning	53,026	50,564	29,987	29,868	83,013	80,432
Net assets - ending	\$ 56,947	\$ 53,026	\$ 29,723	\$ 29,987	\$ 86,670	\$ 83,013

The City's net assets increased by \$3,656,859 (4.4%), which is the result of an excess of Systems Development Charges (SDC's) over expenditures on infrastructure. SDC's are usually accumulated over several years and then spent on large water, sewer, street or drainage projects.

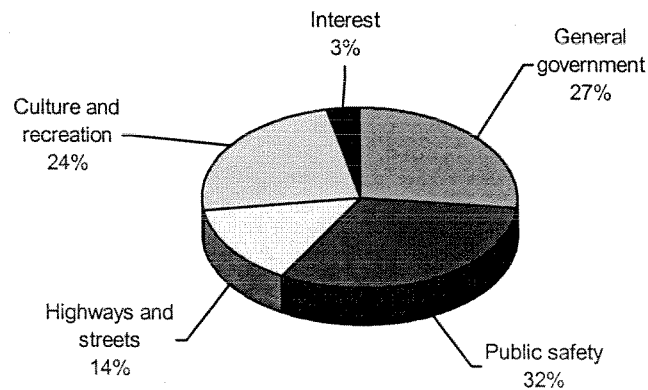
The City's governmental activities net assets increased in the amount of \$3,920,734, and the net assets of the City's business-type activities decreased by of \$263,875.

“Property Taxes” are the city’s primary on-going source of revenue. Property taxes, comprising 46% of the city’s governmental revenue, is derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness. “Capital Grants” include grants and loans for the construction of street and park facilities. “Other” is composed largely of System Development Charges intended to provide street and park infrastructure. Franchise fees and Transient Occupancy Taxes comprise “Other Taxes” “Charges for Services” are fees charged for building permits and land use applications.

### City of Woodburn Governmental Activities Revenue



### City of Woodburn Governmental Activities Functional Expenses



Expenses for Public Safety include the Police and the Municipal Court. Culture and Recreation includes the library, swimming pool, recreational programs, and the museum. General Government includes Land Use Planning, City Recorder, Parks Maintenance, Finance, the City Attorney, and Administration.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are comprised of the Statement of Net Assets and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Assets presents information on all of the City's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby functional costs are shown net of related program revenue. This statement shows the extent to which the functions depend on general taxes for support.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, streets, community development, public safety, and culture & recreation. The business-type activities of the City include sewer and water utilities.

The government-wide financial statements include not only the City itself, but also the Woodburn Urban Renewal Agency. Although the agency is legally separate, it functions for all practical purposes as a part of the City, and therefore has been included as a blended component unit as an integral part of the primary government. The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund financial statements.** The fund financial statements focus on current available resources and are organized on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The General Fund, The Street Fund, the Transportation Impact Fee (TIF) Fund, and the Police Construction Fund are major funds. Information on these funds is presented separately in the governmental funds statements. The City maintains eighteen other individual governmental funds

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its enterprise funds (pages 74-83) to account for its sewer and water utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds (pages 84-90) to account for its insurance, motorized equipment, Public Works administration, and building maintenance operations.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for all of the enterprise funds, which are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-35 of this report.

**Other supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents combining individual fund statements referred to earlier in connection with non-major governmental funds and internal service funds. Also included are the budgetary comparison Schedules of Revenues, Expenditures and Changes in Fund Balances for all non-major special revenue funds, all debt service funds, and all capital projects funds.

## FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2006 the City's governmental funds reported a combined fund balance of \$18,243,516, which is a decrease of \$1,361,567 from June 30, 2005. The decrease is a result of spending bonds proceeds for the construction of a new Police facility. This decrease is partially offset by Systems Development Charges in excess of expenditures. Systems Development Charges (SDC's) are usually accumulated over several years and then spent on large, costly projects.

The general fund is the primary operating fund of the City. As of June 30, 2006, the general fund balance is \$1,934,707 which is an increase of \$301,748 from June 30, 2005. This increase is the result of additional revenue without corresponding increases in costs.



## BUDGETARY HIGHLIGHTS

The City adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major special revenue funds (Street Fund) are required to be presented and are included in the basic financial statements on pages 6-7 of this report. Additionally, budgetary schedules for the other governmental funds have been provided to demonstrate compliance with the budget and can be found as part of other supplementary schedules on pages 38-73 of this report.

The changes between the original and final budget of the General Fund totaled \$623,263. Actual beginning fund balance was \$80,986 greater than budgeted, and the revenue budget was increased by \$542,277. Expenditure appropriations for General Government increased \$479,629. Reserves were increased \$186,914 to account for the proceeds from the sale of the Community Center, and Contingencies were reduced by \$43,180.

### CHANGES IN GENERAL FUND BUDGET

#### Revenues

Beginning fund balance	\$	80,986
Taxes		62,000
Licenses and permits		(5,000)
Intergovernmental (grants)		137,253
Charges for services		8,000
Fines		21,559
Other		<u>334,465</u>
Total revenues		<u>639,263</u>

#### Expenditures

General government		185,327
Public safety		231,632
Culture and recreation		62,570
Reserves		186,914
Contingencies		<u>(43,180)</u>
Total expenditures	\$	<u>623,263</u>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2006, the City had invested \$110,001,327 (net of depreciation) in capital assets of its governmental and business-type activities. This investment includes land and land improvements, buildings, equipment and public infrastructure (streets, water, and sewer). The investment in governmental activities capital assets increased by \$6,267,485, and business-type activities decreased by \$1,342,795. This decrease is due to substantial amounts of depreciation being charged for sewer plant and piping (\$1,926,607) and water plants and piping (\$479,966). A rate study is underway that will result in rates that adequately fund these

operations. The significant additions during the year ended June 30, 2006 were: added streets and storm sewers (\$1,710,047) and work-in-progress on the Police Facility (\$4,572,905).

Additional information on the City's capital assets may be found in note 5 to the basic financial statements.

The City issued \$1,850,000 of bank-qualified loans to finance an Urban Renewal project, the reconstruction of Front Avenue. The total governmental long-term obligations outstanding as of June 30, 2006 was \$9,811,145.

The City issued business-type activities long-term obligations during the year ended June 30, 2006 in the amount of \$290,924 under a loan program of the State of Oregon Safe Drinking Water Revolving Loan Fund. This debt provides a portion of the funding for improvements to the water system utility. The total business-type long-term obligations outstanding as of June 30, 2006 was \$40,960,974.

During the year, the City retired a total of \$2,222,798 in principal on long-term obligations.

A summary of the City's long-term obligations outstanding on June 30, 2006 is:

General obligation bonds	\$ 15,341,786
Loans	34,966,583
Capital leases	25,384
Compensated absences	<u>438,366</u>
Total	<u>\$ 50,772,119</u>

Additional information about the City's long-term obligations can be found in Note 7 to the basic financial statements.

## **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have questions about the report or need additional financial information, please contact the City Finance Director at 270 Montgomery, Woodburn, Oregon.

## **BASIC FINANCIAL STATEMENTS**

# CITY OF WOODBURN

## STATEMENT OF NET ASSETS

June 30, 2006

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 19,407,111	\$ 7,274,193	\$ 26,681,304
Restricted cash and investments	--	216,160	216,160
Receivables	2,034,473	447,522	2,481,995
Internal balances	(87,271)	87,271	--
Due from fiduciary funds	49,647	--	49,647
Inventories	8,830	171,492	180,322
Capital assets:			
Land, improvements and construction in progress	26,887,590	1,775,036	28,662,626
Other capital assets, net of depreciation	19,595,218	61,743,483	81,338,701
<b>TOTAL ASSETS</b>	<u>67,895,598</u>	<u>71,715,157</u>	<u>139,610,755</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,097,272	87,764	1,185,036
Accrued interest payable	38,389	727,542	765,931
Liabilities payable from restricted cash and investments:			
Accounts payable	--	100,819	100,819
Customer deposits	2,000	115,341	117,341
Long-term obligations:			
Due within one year	928,149	1,920,994	2,849,143
Due in more than one year	8,882,996	39,039,980	47,922,976
<b>TOTAL LIABILITIES</b>	<u>10,948,806</u>	<u>41,992,440</u>	<u>52,941,246</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	39,705,627	22,634,520	62,340,147
Restricted for:			
Capital projects	5,716,718	6,630,058	12,346,776
Debt service	1,895,487	--	1,895,487
Highways and streets	796,657	--	796,657
Unreserved	8,832,303	458,139	9,290,442
<b>TOTAL NET ASSETS</b>	<u>\$ 56,946,792</u>	<u>\$ 29,722,717</u>	<u>\$ 86,669,509</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2006**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	
<b>Functions/Programs</b>							
<b>Governmental activities</b>							
General government	\$ 3,107,732	\$ 1,053,626	\$ --	\$ 204,494	\$ (1,849,612)		\$ (1,849,612)
Public safety	3,677,876	1,184	--	--	(3,676,692)		(3,676,692)
Highways and streets	1,673,231	18,379	--	1,304,282	(350,570)		(350,570)
Culture and recreation	2,751,432	179,935	41,320	80,200	(2,449,977)		(2,449,977)
Interest on long-term obligations	401,155	--	--	--	(401,155)		(401,155)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>11,611,426</u>	<u>1,253,124</u>	<u>41,320</u>	<u>1,588,976</u>	<u>(8,728,006)</u>		<u>(8,728,006)</u>
<b>Business-type activities</b>							
Water	3,028,249	2,942,620	--	441,132		\$ 355,503	355,503
Sewer	5,040,183	3,685,804	--	590,903		(763,476)	(763,476)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>8,068,432</u>	<u>6,628,424</u>	<u>--</u>	<u>1,032,035</u>		<u>(407,973)</u>	<u>(407,973)</u>
<b>Totals</b>	<u>\$ 19,679,858</u>	<u>\$ 7,881,548</u>	<u>\$ 41,320</u>	<u>\$ 2,621,011</u>	<u>(8,728,006)</u>	<u>(407,973)</u>	<u>(9,135,979)</u>
<b>General revenues</b>							
Taxes:							
Property taxes levied for:							
General purposes					6,155,967	--	6,155,967
Debt service					1,096,696	--	1,096,696
Franchise taxes					1,173,532	--	1,173,532
Transient room taxes					217,962	--	217,962
Other grants and contributions not restricted							
to specific programs					1,604,256	--	1,604,256
Unrestricted investment earnings					865,329	288,393	1,153,722
Miscellaneous					1,486,839	6,038	1,492,877
(Loss) on sale of capital assets					(100,265)	(1,909)	(102,174)
<b>Transfers</b>					<u>148,424</u>	<u>(148,424)</u>	<u>--</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<u>12,648,740</u>	<u>144,098</u>	<u>12,792,838</u>
<b>CHANGE IN NET ASSETS</b>					3,920,734	(263,875)	3,656,859
<b>NET ASSETS - BEGINNING</b>					<u>53,026,058</u>	<u>29,986,592</u>	<u>83,012,650</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2006**

	General	Street	Transportation Impact Fee	Police Construction	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>						
Cash and investments	\$ 1,803,680	\$ 633,026	\$ 5,716,718	\$ 3,216,635	\$ 7,352,727	\$ 18,722,786
Receivables	483,501	91,414	--	--	1,456,571	2,031,486
Due from fiduciary funds	49,647	--	--	--	--	49,647
<b>TOTAL ASSETS</b>	<b>\$ 2,336,828</b>	<b>\$ 724,440</b>	<b>\$ 5,716,718</b>	<b>\$ 3,216,635</b>	<b>\$ 8,809,298</b>	<b>20,803,919</b>
<b><u>LIABILITIES</u></b>						
Accounts payable and accrued items	\$ 149,775	\$ 109,639	--	\$ 544,062	\$ 242,391	\$ 1,045,867
Deferred revenue	252,346	--	--	--	1,261,257	1,513,603
Matured coupons payable	--	--	--	--	933	933
<b>TOTAL LIABILITIES</b>	<b>402,121</b>	<b>109,639</b>	<b>--</b>	<b>544,062</b>	<b>1,504,581</b>	<b>2,560,403</b>
<b><u>FUND BALANCES</u></b>						
Reserved for debt service	--	--	--	--	1,901,258	1,901,258
Unreserved, reported in:						
General fund	1,934,707	--	--	--	--	1,934,707
Special revenue funds	--	614,801	--	--	1,690,913	2,305,714
Capital projects funds	--	--	5,716,718	2,672,573	3,712,546	12,101,837
<b>TOTAL FUND BALANCES</b>	<b>1,934,707</b>	<b>614,801</b>	<b>5,716,718</b>	<b>2,672,573</b>	<b>7,304,717</b>	<b>18,243,516</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,336,828</b>	<b>\$ 724,440</b>	<b>\$ 5,716,718</b>	<b>\$ 3,216,635</b>	<b>\$ 8,809,298</b>	

*Amounts reported for governmental activities in the Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$18,204,098		46,123,052
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes earned but not available	\$ 290,514	
Assessments earned but not available	590,847	
Housing rehabilitation loans earned but not available	632,242	1,513,603
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		821,274
Long-term obligations, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		(9,754,653)
		<u>\$ 56,946,792</u>

*See notes to basic financial statements*

# CITY OF WOODBURN

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2006

	General	Street	Transporta- tion Impact Fee	Police Construc- tion	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 6,048,479	\$ -	\$ -	\$ -	\$ 1,222,171	\$ 7,270,650
System development charges	-	-	506,895	-	129,286	636,181
Franchise fees	1,163,228	-	-	-	261,710	1,424,938
Permits and fees	114,529	1,062	-	-	308,972	424,563
Fines and forfeitures	618,800	-	-	-	-	618,800
Intergovernmental	362,364	1,062,306	-	-	639,917	2,064,587
Interest	93,567	32,072	214,794	206,670	273,970	821,073
Other	702,769	(54)	-	-	1,211,037	1,913,752
<b>TOTAL REVENUES</b>	<u>9,103,736</u>	<u>1,095,386</u>	<u>721,689</u>	<u>206,670</u>	<u>4,047,063</u>	<u>15,174,544</u>
<b>EXPENDITURES</b>						
Current						
General government	1,741,702	-	-	447,053	1,004,057	3,192,812
Public safety	4,054,303	-	-	-	8,400	4,062,703
Highways and streets	-	1,215,291	-	-	172,758	1,388,049
Culture and recreation	2,094,259	-	-	-	-	2,094,259
Capital outlay	88,665	3,223	55,000	3,429,262	2,409,763	5,985,913
Debt service	-	-	-	-	1,597,810	1,597,810
<b>TOTAL EXPENDITURES</b>	<u>7,978,929</u>	<u>1,218,514</u>	<u>55,000</u>	<u>3,876,315</u>	<u>5,192,788</u>	<u>18,321,546</u>
Excess (deficiency) of revenues over expenditures	<u>1,124,807</u>	<u>(123,128)</u>	<u>666,689</u>	<u>(3,669,645)</u>	<u>(1,145,725)</u>	<u>(3,147,002)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term obligations	-	-	-	-	1,850,000	1,850,000
Transfers in	-	300,000	-	-	781,004	1,081,004
Transfers out	(823,059)	(289,225)	-	-	(33,285)	(1,145,569)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(823,059)</u>	<u>10,775</u>	<u>-</u>	<u>-</u>	<u>2,597,719</u>	<u>1,785,435</u>
Net change in fund balances	301,748	(112,353)	666,689	(3,669,645)	1,451,994	(1,361,567)
Fund balances at beginning of year	<u>1,632,959</u>	<u>727,154</u>	<u>5,050,029</u>	<u>6,342,218</u>	<u>5,852,723</u>	<u>19,605,083</u>
Fund balances at end of year	<u>\$ 1,934,707</u>	<u>\$ 614,801</u>	<u>\$ 5,716,718</u>	<u>\$ 2,672,573</u>	<u>\$ 7,304,717</u>	<u>\$ 18,243,516</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2006**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,361,567)

*Amounts reported for governmental activities in the*

*Statement of Activities are different because of the following:*

Governmental funds report capital outlays as expenditures while government-wide statements report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 6,652,127	
Depreciation	<u>(938,380)</u>	5,713,747

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (100,265)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Developer contributions	660,466	
Property taxes	(17,987)	
Assessments	447,921	
Loan repayments	<u>(143,821)</u>	946,579

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the government wide statements. (1,270,286)

Some expenses reported in the government wide statements do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Compensated absences		(11,901)
----------------------	--	----------

Internal service funds are used by management to charge the costs of various functions to individual funds. The net revenue (expense) of the internal service fund is allocated between governmental and business-type activities 6,184

Other		<u>(1,757)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 3,920,734

*See notes to basic financial statements*



# CITY OF WOODBURN

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 5,888,000	\$ 5,950,000	\$ 6,048,479	\$ 98,479
Franchise fees	1,048,700	1,056,700	1,163,228	106,528
Permits and fees	219,000	198,000	114,529	(83,471)
Fines and forfeitures	613,000	634,559	618,800	(15,759)
Intergovernmental	213,969	463,773	362,364	(101,409)
Interest	35,000	70,000	93,567	23,567
Other	590,624	777,538	702,769	(74,769)
<b>TOTAL REVENUES</b>	<u>8,608,293</u>	<u>9,150,570</u>	<u>9,103,736</u>	<u>(46,834)</u>
<b>EXPENDITURES</b>				
Council and mayor	26,010	26,010	19,496	6,514
City administrator	300,868	306,868	286,895	19,973
City recorder	48,573	53,228	50,115	3,113
City attorney	148,661	148,661	123,644	25,017
Finance	170,407	178,407	167,764	10,643
Municipal court	112,618	136,177	127,598	8,579
Non-departmental	126,700	153,672	156,594	(2,922)
Police	4,042,835	4,250,908	4,133,917	116,991
Library	982,676	986,081	911,842	74,239
Leisure services	371,229	422,394	414,920	7,474
Swimming pool	544,272	544,272	508,186	36,086
Parks administration	226,503	234,503	227,143	7,360
Planning	490,048	532,048	403,727	128,321
Parks maintenance	464,540	469,540	447,088	22,452
Contingencies	916,149	872,969	--	872,969
<b>TOTAL EXPENDITURES</b>	<u>8,972,089</u>	<u>9,315,738</u>	<u>7,978,929</u>	<u>1,336,809</u>
Excess (deficiency) of revenues over expenditures	(363,796)	(165,168)	1,124,807	1,289,975
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(729,559)	(822,259)	(823,059)	(800)
Net change in fund balances	(1,093,355)	(987,427)	301,748	1,289,175
Fund balance at beginning of year	1,511,355	1,592,341	1,632,959	40,618
Fund balance at end of year	<u>\$ 418,000</u>	<u>\$ 604,914</u>	<u>\$ 1,934,707</u>	<u>\$ 1,329,793</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STREET - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Permits and fees	\$ 2,000	\$ 2,000	\$ 1,062	\$ (938)
Intergovernmental	950,000	1,000,000	1,062,306	62,306
Interest	7,000	7,000	32,072	25,072
Other	7,000	7,000	(54)	(7,054)
<b>TOTAL REVENUES</b>	<u>966,000</u>	<u>1,016,000</u>	<u>1,095,386</u>	<u>79,386</u>
<b>EXPENDITURES</b>				
Street repair and maintenance	1,007,192	1,014,380	1,014,080	300
Street cleaning	91,684	93,384	93,372	12
Street administration	152,676	152,676	111,062	41,614
Contingency	132,795	459,963	--	459,963
<b>TOTAL EXPENDITURES</b>	<u>1,384,347</u>	<u>1,720,403</u>	<u>1,218,514</u>	<u>501,889</u>
Excess (deficiency) of revenues over expenditures	<u>(418,347)</u>	<u>(704,403)</u>	<u>(123,128)</u>	<u>581,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	300,000	300,000	--
Transfers out	(289,555)	(289,555)	(289,225)	330
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,445</u>	<u>10,445</u>	<u>10,775</u>	<u>330</u>
Net change in fund balances	(407,902)	(693,958)	(112,353)	581,605
Fund balance at beginning of year	<u>441,098</u>	<u>727,154</u>	<u>727,154</u>	<u>--</u>
Fund balance at end of year	<u>\$ 33,196</u>	<u>\$ 33,196</u>	<u>\$ 614,801</u>	<u>\$ 581,605</u>

*See notes to basic financial statements*

# CITY OF WOODBURN

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS June 30, 2006

	Business-type Activities - Enterprise Funds						Governmental
	Water		Wastewater		Other		Activities
	Water	Well	Treatment	Treatment	Enterprise	Totals	Internal
	Construction	Plant	Construction	Plant	Funds		Service
							Funds
<b>ASSETS</b>							
Current assets							
Cash and investments	\$ 549,101	\$ 2,950,050	\$ 213,016	\$ 1,128,084	\$ 2,433,942	\$ 7,274,193	\$ 684,325
Restricted cash and investments	187,938	--	--	28,222	--	216,160	--
Receivables	89,313	122,072	121,469	99,914	14,754	447,522	2,987
Inventories	115,628	--	55,864	--	--	171,492	8,830
Total current assets	941,980	3,072,122	390,349	1,256,220	2,448,696	8,109,367	696,142
Capital assets							
Land, improvements and construction in progress	475,547	--	1,299,489	--	--	1,775,036	--
Other capital assets, net of depreciation	22,172,336	--	39,571,147	--	--	61,743,483	359,756
Total capital assets, net	22,647,883	--	40,870,636	--	--	63,518,519	359,756
<b>TOTAL ASSETS</b>	<b>23,589,863</b>	<b>3,072,122</b>	<b>41,260,985</b>	<b>1,256,220</b>	<b>2,448,696</b>	<b>71,627,886</b>	<b>1,055,898</b>
<b>LIABILITIES</b>							
Current liabilities							
Accounts payable and accrued items	17,990	15,454	49,515	4,805	--	87,764	50,472
Accrued interest payable	380,706	--	346,836	--	--	727,542	--
Liabilities payable from restricted assets							
Accounts payable	72,597	--	--	28,222	--	100,819	--
Customer deposits	115,341	--	--	--	--	115,341	2,000
Compensated absences payable	37,701	--	39,274	--	--	76,975	94,881
Current portion of long-term obligations	497,180	--	1,346,839	--	--	1,844,019	--
Total current liabilities	1,121,515	15,454	1,782,464	33,027	--	2,952,460	147,353
Long-term obligations	15,211,754	--	23,828,226	--	--	39,039,980	--
<b>TOTAL LIABILITIES</b>	<b>16,333,269</b>	<b>15,454</b>	<b>25,610,690</b>	<b>33,027</b>	<b>--</b>	<b>41,992,440</b>	<b>147,353</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	6,938,949	--	15,695,571	--	--	22,634,520	359,756
Restricted for capital projects	--	3,056,668	--	1,223,193	2,350,197	6,630,058	--
Unrestricted	317,645	--	(45,276)	--	98,499	370,868	548,789
<b>TOTAL NET ASSETS</b>	<b>\$ 7,256,594</b>	<b>\$ 3,056,668</b>	<b>\$ 15,650,295</b>	<b>\$ 1,223,193</b>	<b>\$ 2,448,696</b>	<b>29,635,446</b>	<b>\$ 908,545</b>
Internal balances result from transactions between the governmental activities, business-type activities and internal service funds							87,271
<b>NET ASSETS OF BUSINESS-TYPE ACTIVITIES</b>							<b>\$ 29,722,717</b>

See notes to basic financial statements

# CITY OF WOODBURN

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds						Governmental
	Wastewater					Internal Service Funds	Activities
	Water	Water Well Construction	Wastewater Treatment Plant	Treatment Plant Construction	Other Enterprise Funds		
						Totals	
<b>OPERATING REVENUES</b>							
Charges for services	\$ 1,486,955	\$ 1,410,918	\$ 2,029,412	\$ 1,626,085	\$ --	\$ 6,553,370	\$ 65,564
Rents	--	--	--	--	--	--	487,684
Total operating revenues	1,486,955	1,410,918	2,029,412	1,626,085	--	6,553,370	553,248
<b>OPERATING EXPENSES</b>							
Personal services	865,478	13,521	849,105	23,905	--	1,752,009	1,017,530
Material and services	473,627	170,117	748,729	55,276	59,297	1,507,046	862,958
Depreciation	479,966	--	1,926,607	--	--	2,406,573	19,895
Total operating expenses	1,819,071	183,638	3,524,441	79,181	59,297	5,665,628	1,900,383
Operating income (loss)	(332,116)	1,227,280	(1,495,029)	1,546,904	(59,297)	887,742	(1,347,135)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest	27,809	114,512	12,124	35,664	98,284	288,393	20,878
Other	49,389	346	1,850	--	29,507	81,092	576,889
(Loss) on disposal of capital assets	(1,909)	--	--	--	--	(1,909)	(3,715)
Interest	53,351	(606,931)	5,112	(767,342)	(542,473)	(1,858,283)	--
Total nonoperating revenues (expenses)	128,640	(492,073)	19,086	(731,678)	(414,682)	(1,490,707)	594,052
Income (loss) before transfers and contributions	(203,476)	735,207	(1,475,943)	815,226	(473,979)	(602,965)	(753,083)
<b>TRANSFERS AND CONTRIBUTIONS</b>							
Capital contributions	129,885	--	115,076	--	787,074	1,032,035	--
Transfers in	888,779	--	1,526,125	--	--	2,414,904	840,615
Transfers out	(353,955)	(601,631)	(462,226)	(1,273,387)	(468,129)	(3,159,328)	(29,869)
Total transfers and contributions	(664,709)	(601,631)	(1,178,975)	(1,273,387)	318,945	(287,611)	810,746
Change in net assets	461,233	133,576	(296,968)	(458,161)	(155,034)	(315,354)	57,663
Net assets - beginning of year	6,795,361	2,923,092	15,947,263	1,681,354	2,603,730		850,882
Net assets - end of year	\$ 7,256,594	\$ 3,056,668	\$ 15,650,295	\$ 1,223,193	\$ 2,448,696		\$ 908,545

Some amounts reported for business-type activities in the statement of activities are different because:

A portion of the net revenue (expense) of internal service funds is allocable to business-type activities

51,479

CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES

\$ (263,875)

See notes to basic financial statements

**CITY OF WOODBURN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2006**

	Business-type Activities - Enterprise Funds						Governmental
						Totals	Activities
	Water	Water Well Construction	Wastewater Treatment Plant	Wastewater Treatment Plant Construction	Other Enterprise Funds		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 1,852,821	\$ 1,861,172	\$ 2,067,065	\$ 1,612,204	\$ -	\$ 7,393,262	\$ 551,926
Payments to suppliers	(868,455)	(334,404)	(725,679)	(22,249)	(59,297)	(2,010,084)	(840,651)
Payments to employees	(859,415)	(13,521)	(847,481)	(23,905)	-	(1,744,322)	(1,012,023)
Other	49,389	346	1,850	-	14,753	66,338	576,889
Net cash provided by (used in) operating activities	174,340	1,513,593	495,755	1,566,050	(44,544)	3,705,194	(723,859)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Cash transfers in	70,000	-	-	-	-	70,000	840,615
Cash transfers out	(353,955)	-	(462,226)	-	-	(816,181)	(29,869)
Net cash provided by (used in) non-capital financing activities	(283,955)	-	(462,226)	-	-	(746,181)	810,746
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from long-term obligations	-	204,407	-	-	-	204,407	-
Capital contributions	-	-	-	-	787,074	787,074	-
Acquisition of capital assets	(12,133)	(543,186)	(4,380)	(261,027)	(468,129)	(1,288,855)	-
Principal paid on long-term obligations	-	(262,852)	-	(1,012,360)	-	(1,275,212)	-
Interest paid on long-term obligations	-	(606,931)	-	(767,342)	(542,473)	(1,916,746)	-
Net cash (used-in) capital and related financing activities	(12,133)	(1,208,562)	(4,380)	(2,040,729)	(223,528)	(3,489,332)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest	27,809	114,512	12,124	35,664	98,284	288,393	20,878
Net increase (decrease) in cash and cash equivalents	(93,939)	419,543	41,273	(439,015)	(169,788)	(241,926)	107,765
Cash and cash equivalents--beginning of year	643,040	2,530,507	171,743	1,567,099	2,603,730	7,516,119	576,560
Cash and cash equivalents--end of year	\$ 549,101	\$ 2,950,050	\$ 213,016	\$ 1,128,084	\$ 2,433,942	\$ 7,274,193	\$ 684,325
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>							
Operating income (loss)	\$ (332,116)	\$ 1,227,280	\$ (1,495,029)	\$ 1,546,904	\$ (59,297)	\$ 887,742	\$ (1,347,135)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation	479,966	-	1,926,607	-	-	2,406,573	19,895
Other	49,389	346	1,850	-	29,507	81,092	576,889
(Increase) decrease in assets							
Receivables	(17,187)	450,254	37,653	14,341	(14,754)	470,307	(1,322)
Inventories	(6,186)	-	(9,458)	-	-	(15,644)	(270)
Restricted cash and investments	366,745	-	-	(28,222)	-	338,523	-
Increase (decrease) in liabilities							
Accounts payable and accrued items	(388,642)	(164,287)	32,508	33,027	-	(487,394)	22,577
Customer deposits	16,308	-	-	-	-	16,308	-
Compensated absences payable	6,063	-	1,624	-	-	7,687	5,507
Net cash provided by (used in) operating activities	\$ 174,340	\$ 1,513,593	\$ 495,755	\$ 1,566,050	\$ (44,544)	\$ 3,705,194	\$ (723,859)

**Supplemental Disclosure**

Noncash noncapital financing activities

During the year, the city's technical and environmental internal service fund received a noncash transfer of capital assets from business-type activities in the amount of \$1,887.

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2006**

	<u>Pension Trust</u>	<u>Agency</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ --	\$ 165,262
Restricted cash and investments	<u>525,230</u>	<u>--</u>
TOTAL ASSETS	<u>525,230</u>	<u>\$ 165,262</u>
<b><u>LIABILITIES</u></b>		
Due to General Fund	--	\$ 49,647
Trust deposits	<u>--</u>	<u>115,615</u>
TOTAL LIABILITIES	<u>--</u>	<u>\$ 165,262</u>
<b><u>NET ASSETS</u></b>		
Held in trust for pension benefits	<u>\$ 525,230</u>	

*See notes to basic financial statements*

**CITY OF WOODBURN**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
Year Ended June 30, 2006**

	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Earnings on investments	\$ 24,143
Contributions	<u>35,768</u>
<b>TOTAL ADDITIONS</b>	<u>59,911</u>
<b>DEDUCTIONS</b>	
Benefit payments	351,932
Plan expenses	<u>5,107</u>
<b>TOTAL DEDUCTIONS</b>	<u>357,039</u>
Change in net assets	(297,128)
Net assets - beginning	<u>822,358</u>
Net assets - ending	<u>\$ 525,230</u>

*See notes to basic financial statements*

**CITY OF WOODBURN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2006**

**1. Summary of significant accounting policies**

**A. Organization (reporting entity)**

Control of the City is vested in its mayor and council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the mayor and council. The chief administrative officer is the City Administrator.

The accompanying basic financial statements present all funds, account groups, and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The city council serves as the governing board of the WOODBURN URBAN RENEWAL AGENCY. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the WOODBURN URBAN RENEWAL AGENCY may be obtained from the City's finance department.

**B. Government-wide and fund financial statements**

*Government-wide Financial Statements*

The statement of net assets and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

*Fund Financial Statements*

The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental, proprietary and fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principal Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectable within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major governmental funds:

- *General* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, library operations, and parks and recreations.
- *Street* accounts for the operation of the City Road Department. Expenditures are primarily for repair, maintenance and construction of city streets.
- *Transportation Impact Fee* accounts for system development for traffic controls and street construction.
- *Police Construction* accounts for the construction of a new police facility.

The City reports the following major proprietary funds:

- *Water* accounts for water services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations
- *Water Well Construction* accounts for the construction of water wells. The principal revenue source is transfers from the Water Fund.
- *Wastewater Treatment Plant* accounts for the treatment of wastewater generated in the City. The primary revenue source is from user fees.
- *Wastewater Treatment Plant Construction* accounts for the construction of the plant. The primary source of revenue comes from proceeds from long-term obligations.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

Additionally, the City reports the following fund types:

- *Special Revenue* are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.
- *Debt Service* account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.
- *Capital Projects* account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of City owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.
- *Enterprise* account for services rendered to the public on a user charge basis and are predominately self-supporting
- *Internal Services* account for services provided to other departments or agencies within the City on a cost reimbursement basis.
- *Pension Trust* accounts for funds held to provide retirement benefits to City employees.
- *Agency* accounts for amounts held by the City on behalf of others in a fiduciary capacity.

#### D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### D. Budget policies and budgetary control (continued)

The ordinance authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds, except the General, Transit System, Street, Parks/Recreation Capital Improvement, Water, Wastewater Treatment Plant, Wastewater Plant Construction, Water Well Construction, and Technical and Environmental Services funds for which budgetary control is established at the department level.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City Council must authorize all appropriation transfers and supplementary budgetary appropriations.

#### E. Use of estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### F. Cash and cash equivalents

For purposes of the accompanying statement of cash flows, the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the City Treasurer's investment pool, to be cash equivalents.

#### G. Financial instruments

Statement of Financial Accounting Standards No. 107 requires all entities to disclose the fair value of certain financial instruments in their financial statements. Accordingly, the management reports that the carrying amount of cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short maturity of these instruments. The carrying amounts of long-term notes payable approximate fair value based on comparisons to the market rate of interest.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### H. Inventories

Inventories purchased are stated at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated. Inventories are offset by a fund balance reserve, as they do not constitute available expendable resources.

#### I. Receivables

Property taxes in the governmental fund types, which have been collected within sixty days following year-end, are considered measurable and available and are recognized as revenues. Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue. All other property taxes receivable are offset by deferred revenues and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

All property taxes receivable are due from owners of property within the City.

Receivables for state shared revenue are recorded as revenue in all fund types as earned.

User charges receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off.

#### J. Capital assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Capital assets include public domain (infrastructure) capital assets consisting of certain improvements including roads, bridges, lighting system, drainage systems, and flood control. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. In the government-wide statements, capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Buildings and improvements	35 to 50 years
Equipment	3 to 20 years
Water and sewer lines	20 to 50 years

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### K. Interfund transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### L. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### M. Compensated absences - sick leave

The City has a policy which permits represented employees and sworn officers to earn sick leave at the rate of 8 hours per month and accumulate up to a maximum of 960 hours. All other full-time employees earn sick leave at the rate of 8 hours per month and may accumulate an unlimited amount of sick leave. All sick leave lapses upon termination of employment.

### 2. Deposits and investments

The City maintains a pool of cash and investments that are available for use by all funds, except for the Pension Trust Fund. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any City, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

*Credit risk:* Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. Then pension trust is authorized to invest in a variety of debt and equity securities.

As of June 30, 2006, the City had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	\$ 26,699,542
Managed Fixed Income Account (Pension Trust)	N/A	<u>525,230</u>
Total		<u>\$ 27,224,772</u>

*Interest Rate Risk:* The City's investment policy limits investment maturities to more than 18 months as a means of managing its exposure to fair-value losses arising from increases in interest rates.

*Concentration of Credit Risk:* The City's investment policy places a limit on the amount that can be invested in any one issuer as follows:

- U.S. Government Agencies – No more than 40% of the total portfolio in any one agency
- Banker's acceptances – No more than 25% of the total portfolio with any one institution
- Certificates of deposit with commercial banks and state and local government securities – No more than 15% of the total portfolio with any one financial institution or entity
- Commercial paper and repurchase agreements – No more than 10% of the total portfolio with any one entity or institution
- Certificates of deposit with savings and loan association – No more than 5% of the total portfolio with any one financial institution
- State of Oregon Investment Pool – Not to exceed \$20 million (\$10 million per account) with the exception of pass-through funds (in and out within 10 days)

Ninety-eight percent of the City's investments are in the State Treasurer's Investment Pool.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

*Custodial Credit Risk – Deposits:* This is the risk that, in the event of a bank failure, the City's deposits may not be returned. Oregon statute requires collateralization of deposits in excess of amounts insured by the Federal Depository Insurance Corporation. As of June 30, 2006, \$706,039 of the City's bank balance of \$1,041,385 was exposed to custodial credit risk because it was uninsured and uncollateralized.

A. The City's deposits and investments at June 30, 2006 are as follows:

Total investments	\$ 27,224,772
Cash on hand	1,985
Deposits with financial institutions	<u>361,199</u>
Total deposits and investments	<u>\$ 27,587,956</u>

B. The City's deposits and investments at June 30, 2006 are shown below:

Cash and investments are reported as follows:

*Governmental funds/activities*

General	\$ 1,803,680
Street	633,026
Transportation Impact Fee	5,716,718
Police Construction	3,216,635
Other Governmental Funds	<u>7,352,727</u>
Total governmental funds/activities	18,722,786
Internal service funds included in governmental activities	<u>684,325</u>
Total governmental activities	<u>19,407,111</u>

*Proprietary funds/business-type activities*

Unrestricted

Water	549,101
Water Well Construction	2,950,050
Wastewater Treatment Plant	213,016
Wastewater Treatment Plant Construction	1,128,084
Other Enterprise Funds	<u>2,433,942</u>
Total unrestricted	<u>7,274,193</u>



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

B. The City's deposits and investments at June 30, 2006 are shown below (continued):

#### *Proprietary funds/business-type activities (continued)*

##### Restricted

Water	\$	187,938
Wastewater Treatment Plant Construction		<u>28,222</u>

Total restricted		<u>216,160</u>
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Total proprietary funds/business-type activities		<u>7,490,353</u>
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#### *Fiduciary funds*

Pension Trust		525,230
Agency		<u>165,262</u>

Total fiduciary funds		<u>690,492</u>
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Total cash and investments	\$	<u>27,587,956</u>
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### 3. Receivables

A. The City's receivables at June 30, 2006 are shown below:

	Governmental funds/activities			Proprietary funds/business-type activities					Governmental Activities	
	General	Street	Other Governmental Funds	Water	Water Well Construction	Wastewater Treatment Plant	Wastewater Treatment Plant Construction	Other Enterprise Funds	Internal Service	Totals
Property taxes	\$ 336,117	\$ -	\$ 53,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,598
Accounts	147,384	-	20,643	-	-	-	-	-	2,987	171,014
Intergovernmental	-	91,414	159,358	-	-	-	-	-	-	250,772
Assessments	-	-	590,847	-	-	-	-	-	-	590,847
User charges	-	-	-	89,313	122,072	121,469	99,914	14,754	-	447,522
Housing rehabilitation loans	-	-	632,242	-	-	-	-	-	-	632,242
	<u>\$ 483,501</u>	<u>\$ 91,414</u>	<u>\$ 1,456,571</u>	<u>\$ 89,313</u>	<u>\$ 122,072</u>	<u>\$ 121,469</u>	<u>\$ 99,914</u>	<u>\$ 14,754</u>	<u>\$ 2,987</u>	<u>\$ 2,481,995</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Receivables (continued)

#### B. Property taxes

##### i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15. Marion County bills and collects property taxes for the City.

##### ii. Transactions

	Balances July 1, 2005	2005-06 Levy	Adjust- ments	Net Interest (Discounts)	Collections	Balances June 30, 2006
Current	\$ -	\$ 7,424,479	\$ (24,393)	\$ (186,179)	\$ 6,979,387	\$ 234,520
Prior	<u>404,851</u>	<u>-</u>	<u>167</u>	<u>50</u>	<u>249,990</u>	<u>155,078</u>
	<u>\$ 404,851</u>	<u>\$ 7,424,479</u>	<u>\$ (24,226)</u>	<u>\$ (186,129)</u>	<u>\$ 7,229,377</u>	<u>\$ 389,598</u>

#### B. Property taxes (continued)

##### iii. Ensuing year's levies

The permanent tax rate is \$6.0534 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

In addition, the City will levy \$683,550 for the retirement of long-term debt principal and interest due in 2006-07.

### 4. Due from/to other funds

Amounts due from and to other funds consists of the following:

<u>Fund due to</u>	<u>Fund due from</u>	<u>Amount</u>
General	Fiduciary funds	<u>\$ 49,647</u>

# NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

## 5. Capital assets

Capital asset activity for the year ended June 30, 2006 is as follows:

	Balances July 1, 2005	Additions	Deletions	Balances June 30, 2006
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 21,637,977	\$ -	\$ (30,000)	\$21,607,977
Construction in progress	<u>753,671</u>	<u>4,974,066</u>	<u>(448,124)</u>	<u>5,279,613</u>
Total capital assets not being depreciated	<u>22,391,648</u>	<u>4,974,066</u>	<u>(478,124)</u>	<u>26,887,590</u>
Capital assets being depreciated				
Buildings	8,071,776	453,169	(150,807)	8,374,138
Equipment	4,452,529	69,026	(388,385)	4,133,170
Infrastructure	<u>23,203,878</u>	<u>2,281,603</u>	<u>-</u>	<u>25,485,481</u>
Total capital assets being depreciated	<u>35,728,183</u>	<u>2,803,798</u>	<u>(539,192)</u>	<u>37,992,789</u>
Less accumulated depreciation for:				
Buildings	2,585,520	166,571	(150,807)	2,601,284
Equipment	2,896,164	220,148	(314,405)	2,801,907
Infrastructure	<u>12,422,824</u>	<u>571,556</u>	<u>-</u>	<u>12,994,380</u>
Total accumulated depreciation	<u>17,904,508</u>	<u>958,275</u>	<u>(465,212)</u>	<u>18,397,571</u>
Total capital assets being depreciated, net	<u>17,823,675</u>	<u>1,845,523</u>	<u>(73,980)</u>	<u>19,595,218</u>
Governmental activities capital assets, net	<u>\$ 40,215,323</u>	<u>\$ 6,819,589</u>	<u>\$ (552,104)</u>	<u>\$46,482,808</u>
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 1,775,036	\$ -	\$ -	\$ 1,775,036
Construction in progress	<u>15,841,985</u>	<u>543,186</u>	<u>(16,385,171)</u>	<u>-</u>
Total capital assets not being depreciated	<u>17,617,021</u>	<u>543,186</u>	<u>(16,385,171)</u>	<u>1,775,036</u>
Capital assets being depreciated				
Water and sewer lines	18,045,318	16,891,159	-	34,936,477
Buildings	45,696,203	-	-	45,696,203
Equipment	<u>1,342,934</u>	<u>16,513</u>	<u>(20,062)</u>	<u>1,339,385</u>
Total capital assets being depreciated	<u>65,084,455</u>	<u>16,907,672</u>	<u>(20,062)</u>	<u>81,972,065</u>
Less accumulated depreciation for:				
Water and sewer lines	4,806,618	762,782	-	5,569,400
Buildings	12,403,667	1,570,785	-	13,974,452
Equipment	<u>629,877</u>	<u>73,006</u>	<u>(18,153)</u>	<u>684,730</u>
Total accumulated depreciation	<u>17,840,162</u>	<u>2,406,573</u>	<u>(18,153)</u>	<u>20,228,582</u>
Total capital assets being depreciated, net	<u>47,244,293</u>	<u>14,501,099</u>	<u>(1,909)</u>	<u>61,743,483</u>
Business-type activities capital assets, net	<u>\$ 64,861,314</u>	<u>\$ 15,044,285</u>	<u>\$ (16,387,080)</u>	<u>\$63,518,519</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 5. Capital assets (continued)

Depreciation expense was charged to functions/programs as follows:

#### Governmental activities

General government	\$	161,465
Public safety		64,551
Highways and streets		628,427
Culture and recreation		<u>103,832</u>

Total depreciation expense – governmental activities	\$	<u>958,275</u>
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#### Business-type activities

Water	\$	479,966
Sewer		<u>1,926,607</u>

Total depreciation expense – business-type activities	\$	<u>2,406,573</u>
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### 6. Deferred revenue

Resources owned by the City, which are measurable but not available, and are deferred in the Governmental Funds, consist of the following:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Assessments	\$ --	\$ 590,847	\$ 590,847
Housing rehabilitation loans	--	632,242	632,242
Property taxes	<u>252,346</u>	<u>38,168</u>	<u>290,514</u>
Totals	<u>\$ 252,346</u>	<u>\$ 1,261,257</u>	<u>\$ 1,513,603</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations

A. Transactions for the governmental activities during the year ended June 30, 2006 were as follows:

	Balances July 1, 2005	Additions	Reductions	Balances June 30, 2006	Due Within One year
<u>General Obligation Bonds</u>					
1994 General obligation bonds -					
Original issue \$1,755,000, 15 years; interest at various rates					
Principal	\$ 590,000	\$ -	\$ 135,000	\$ 455,000	\$ 145,000
Interest	2,687	31,634	32,242	2,079	-
	<u>592,687</u>	<u>31,634</u>	<u>167,242</u>	<u>457,079</u>	<u>145,000</u>
2005 General obligation bonds -					
Original issue \$7,066,000, 20 years; interest at various rates					
Principal	7,066,000	-	151,000	6,915,000	235,000
Interest	88,215	264,669	330,808	22,076	-
	<u>7,154,215</u>	<u>264,669</u>	<u>481,808</u>	<u>6,937,076</u>	<u>235,000</u>
<u>Loans</u>					
State of Oregon Economic Development Department -					
due in various annual installments of \$38,319 to \$37,495; interest at 5.01 percent					
Principal	336,007	-	18,202	317,805	18,346
Interest	9,570	16,081	16,555	9,096	-
	<u>345,577</u>	<u>16,081</u>	<u>34,757</u>	<u>326,901</u>	<u>18,346</u>
State of Oregon Economic Development Department -					
due in annual installments of \$47,043; interest at 6.5 percent.					
Balance is allocated between governmental and business-type activities					
Principal	41,783	-	41,783	-	-
Interest	2,358	1,146	3,504	-	-
	<u>44,141</u>	<u>1,146</u>	<u>45,287</u>	<u>-</u>	<u>-</u>
Oregon Housing and Community Services -					
due in annual installments of \$5,151; interest at 1.0 percent					
Principal	20,037	-	20,037	-	-
Interest	-	215	215	-	-
	<u>20,037</u>	<u>215</u>	<u>20,252</u>	<u>-</u>	<u>-</u>
Bank of America					
Urban Renewal - due in quarterly installments of \$56,933; interest at 4.22 percent					
Principal	-	1,850,000	113,435	1,736,565	156,911
Interest	-	60,417	57,364	3,053	-
	<u>-</u>	<u>1,910,417</u>	<u>170,799</u>	<u>1,739,618</u>	<u>156,911</u>
<u>Capital leases</u>					
Government Leasing Company -					
3 years, annual installments of \$1,896, interest at 6.29 percent					
Principal	-	17,147	12,106	5,041	1,826
2 years, annual installments of \$11,76, interest at 10.25 percent					
Principal	42,296	-	21,953	20,343	9,676
Interest	-	2,085	-	2,085	-
	<u>42,296</u>	<u>2,085</u>	<u>21,953</u>	<u>22,428</u>	<u>9,676</u>
<u>Compensated absences</u>	<u>343,983</u>	<u>361,391</u>	<u>343,983</u>	<u>361,391</u>	<u>361,391</u>
Totals	8,542,936	2,604,785	1,298,187	9,849,534	\$ 928,149
Accrued interest payable	102,830	376,247	440,688	38,389	
Total long-term obligations	<u>\$ 8,440,106</u>	<u>\$ 2,228,538</u>	<u>\$ 857,499</u>	<u>\$ 9,811,145</u>	

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

B. Transactions for the business-type activities during the year ended June 30, 2006 were as follows:

<u>Loans</u>	<u>Balances</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2006</u>	<u>Due Within</u> <u>One year</u>
Oregon Economic Development Department - due in annual installments of \$47,043; interest at 6.5 percent. Balance is allocated between governmental and business- type activities					
Principal	\$ 185,954	\$ 9,542	\$ -	\$ 195,496	\$ 34,336
Interest	6,199	12,446	11,299	7,346	-
	<u>192,153</u>	<u>21,988</u>	<u>11,299</u>	<u>202,842</u>	<u>34,336</u>
Oregon Economic Development Department - due in annual installments of \$29,102; interest at 6.32 percent					
Principal	160,624	-	18,950	141,674	20,147
Interest	5,868	9,459	10,151	5,176	-
	<u>166,492</u>	<u>9,459</u>	<u>29,101</u>	<u>146,850</u>	<u>20,147</u>
Oregon Economic Development Department - due in annual installments with interest at 4.74 percent					
Principal	393,010	-	23,945	369,065	24,114
Interest	10,793	18,074	18,670	10,197	-
	<u>403,803</u>	<u>18,074</u>	<u>42,615</u>	<u>379,262</u>	<u>24,114</u>
Oregon Economic Development Department - due in annual installments with interest at 4.21 percent					
Principal	3,795,593	204,407	131,426	3,868,574	136,959
Interest	-	223,435	129,284	94,151	-
	<u>3,795,593</u>	<u>427,842</u>	<u>260,710</u>	<u>3,962,725</u>	<u>136,959</u>
Oregon Department of Environmental Quality - due in semi-annual installments of \$147,792; interest at 3.93 percent					
Principal	3,073,810	-	176,501	2,897,309	183,506
Interest	49,449	131,613	134,453	46,609	-
	<u>3,123,259</u>	<u>131,613</u>	<u>310,954</u>	<u>2,943,918</u>	<u>183,506</u>
Oregon Department of Environmental Quality - due in semi-annual installments of \$735,150; interest at 1.21 percent					
Principal	22,615,466	-	1,043,945	21,571,521	1,084,736
Interest	290,938	962,277	975,707	277,508	-
	<u>22,906,404</u>	<u>962,277</u>	<u>2,019,652</u>	<u>21,849,029</u>	<u>1,084,736</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

B. Transactions for the business-type activities during the year ended June 30, 2006 were as follows (continued):

	Balances July 1, 2005	Additions	Reductions	Balances June 30, 2006	Due Within One year
<u>Loans (continued)</u>					
Safe Drinking Water Revolving Loan Fund - due in annual installments starting in December 2004; interest at 4.21 percent starting in July 2004					
Principal	\$ 4,000,000	\$ -	\$ 131,426	\$ 3,868,574	\$ 136,959
Interest	237,886	165,398	309,134	94,150	-
	<u>4,237,886</u>	<u>165,398</u>	<u>440,560</u>	<u>3,962,724</u>	<u>136,959</u>
<u>General Obligation Bonds</u>					
2003 Water general obligation bonds - Original issue \$8,400,000, 25 years; interest at various rates					
Principal	8,188,934	-	217,148	7,971,786	223,262
Interest	196,171	335,581	339,347	192,405	-
	<u>8,385,105</u>	<u>335,581</u>	<u>556,495</u>	<u>8,164,191</u>	<u>223,262</u>
<u>Compensated absences</u>	<u>69,288</u>	<u>76,975</u>	<u>69,288</u>	<u>76,975</u>	<u>76,975</u>
Totals	43,279,983	2,149,207	3,740,674	41,688,516	\$ 1,920,994
Accrued interest payable	<u>797,304</u>	<u>1,858,283</u>	<u>1,928,045</u>	<u>727,542</u>	
Total long-term obligations	<u>\$42,482,679</u>	<u>\$ 290,924</u>	<u>\$1,812,629</u>	<u>\$40,960,974</u>	

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

C. The future maturities of obligations outstanding as of June 30, 2006 are as follows:

#### Governmental Activities

Fiscal Year	General Obligation Bonds				Loans			
	1994		2005		O.E.D.D.		Bank of America	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 145,000	\$ 24,952	\$ 235,000	\$ 264,906	\$ 18,346	\$ 15,735	\$ 156,911	\$ 70,822
2008	150,000	17,050	240,000	257,856	23,497	14,901	163,638	64,094
2009	160,000	8,800	250,000	250,656	23,660	13,809	170,653	57,079
2010	-	-	260,000	243,156	23,834	12,685	177,970	49,763
2011	-	-	275,000	234,056	24,027	11,493	185,600	42,133
2012-16	-	-	1,595,000	1,014,620	138,367	38,479	881,794	86,068
2017-21	-	-	2,030,000	679,510	66,074	5,191	-	-
2022-26	-	-	2,030,000	219,139	-	-	-	-
	<u>\$ 455,000</u>	<u>\$ 50,802</u>	<u>\$ 6,915,000</u>	<u>\$ 3,163,899</u>	<u>\$317,805</u>	<u>\$112,293</u>	<u>\$ 1,736,565</u>	<u>\$ 369,958</u>

Fiscal Year	Capital Leases				Compensated Absences	Totals	
	Governmental Leasing Company					Principal	Interest
	Principal	Interest	Principal	Interest			
2007	\$ 1,826	\$ 70	\$ 9,676	\$ 2,085	\$ 361,391	\$ 928,149	\$ 378,570
2008	1,518	378	10,667	1,093	-	589,320	355,373
2009	1,696	199	-	-	-	606,010	330,543
2010	-	-	-	-	-	461,804	305,604
2011	-	-	-	-	-	484,627	287,682
2012-16	-	-	-	-	-	2,615,161	1,139,167
2017-21	-	-	-	-	-	2,096,074	684,701
2022-26	-	-	-	-	-	2,030,000	219,139
	\$ 5,041	\$ 647	\$ 20,343	\$ 3,179	\$ 361,391	\$ 9,811,145	\$ 3,700,778



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 7. Long-term obligations (continued)

C. The future maturities of obligations outstanding as of June 30, 2006 are as follows: (continued)

#### Business-type Activities

Fiscal Year	Loans								State of Oregon	
	O.E.D.D.		O.E.D.D.		O.E.D.D.		O.E.D.D.		DEQ	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 34,336	\$ 12,707	\$ 20,147	\$ 8,954	\$ 24,114	\$ 17,639	\$ 136,959	\$ 162,867	\$ 183,506	\$ 112,079
2008	36,568	10,475	21,421	7,680	24,293	16,592	142,725	157,101	190,789	104,796
2009	38,945	8,099	22,775	6,327	24,485	15,510	148,734	151,092	198,360	97,225
2010	41,476	5,567	24,214	4,887	24,687	14,407	154,996	144,830	206,232	89,352
2011	44,172	2,871	25,744	3,357	29,901	13,284	161,521	138,306	214,417	81,168
2012-16	-	-	27,373	1,730	163,241	44,559	915,514	583,616	1,206,683	271,239
2017-21	-	-	-	-	78,344	6,010	1,125,153	373,977	697,322	41,640
2022-26	-	-	-	-	-	-	1,082,972	116,331	-	-
2024-29	-	-	-	-	-	-	-	-	-	-
	<u>\$ 195,496</u>	<u>\$ 39,720</u>	<u>\$ 141,674</u>	<u>\$ 32,935</u>	<u>\$ 369,065</u>	<u>\$ 128,001</u>	<u>\$ 3,868,574</u>	<u>\$ 1,828,120</u>	<u>\$ 2,897,309</u>	<u>\$ 797,499</u>

Fiscal Year	Loans									
	State of Oregon				General Obligation					
	DEQ		SDWRLF		Bonds - 2003		Compensated		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Absences		Principal	Interest
2007	\$ 1,084,736	\$ 824,424	\$ 136,959	\$ 162,867	\$ 223,262	\$ 332,833	\$ 76,975		\$ 1,920,994	\$ 1,634,370
2008	1,127,121	782,038	142,725	157,101	229,410	326,135	-		1,915,052	1,561,918
2009	1,171,163	737,997	148,734	151,092	240,592	319,252	-		1,993,788	1,486,594
2010	1,216,925	692,234	154,996	144,830	246,810	312,035	-		2,070,336	1,408,142
2011	1,264,476	644,683	161,521	138,306	253,064	304,630	-		2,154,816	1,326,605
2012-16	7,103,272	2,442,525	915,514	583,616	1,404,362	1,382,002	-		11,735,959	5,309,287
2017-21	8,603,828	941,969	1,125,153	373,977	1,711,442	1,076,636	-		13,341,242	2,814,209
2022-26	-	-	1,082,972	116,331	2,132,568	658,156	-		4,298,512	890,818
2024-29	-	-	-	-	1,530,276	143,532	-		1,530,276	143,532
	<u>\$ 21,571,521</u>	<u>\$ 7,065,870</u>	<u>\$ 3,868,574</u>	<u>\$ 1,828,120</u>	<u>\$ 7,971,786</u>	<u>\$ 4,855,211</u>	<u>\$ 76,975</u>		<u>\$ 40,960,974</u>	<u>\$ 16,575,476</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Commitments

The City leases police cars and motorcycles, copiers, and real estate under operating leases. Rental expenditures for the year ended June 30, 2006 were \$193,879.

Future minimum lease payments for years subsequent to June 30, 2006 are as follows:

2005-06	\$	109,079
2006-07		95,296
2007-08		54,792
2008-09		54,083
2009-10		18,028

### 9. Defined benefit pension plan – The Retirement Plan for Employees of City of Woodburn, Oregon

#### A. Plan description

The City sponsors a single-employer defined benefit pension plan that covers non-executive employees who have completed six months of employment with the City and executive employees, except the police chief, who elect coverage under this plan. It provides retirement and disability benefits, cost of living adjustments and death benefits to members and beneficiaries. It also provides for post-retirement healthcare benefits for retired general service employees age 62 and older in an amount not to exceed \$60 per month. The City Council has the authority to amend the benefit provisions of the plan.

On November 5, 1998, the City decided to integrate its retirement plan into the Oregon Public Employees Retirement System (PERS) pursuant to ORS 238.680. The City ceased contributions to its retirement plan in December 1998, except for one employee who continued under the plan until August 2000. In December 1998, the City transferred \$6,738,120 to PERS under the integration agreement with PERS. The remaining assets of the retirement plan are to provide retirement benefits to employees who have already retired or elected to remain in the plan.

Membership of the plan consisted of eight inactive members at July 1, 2005, the date of the latest actuarial valuation available as of the date of this report.

#### B. Funding status and progress

The pension benefit obligation (PBO), which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help assess the funding status of the plan, to assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among employers. The latest actuarial valuation was performed as of July 1, 2005.

Significant actuarial assumptions used to compute the PBO were as follows:

Investment earnings	5.5% (net of all plan expenses)
Salary increases	none (effective July 1, 2001)
Cost-of-living increases	2.0%

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Defined benefit pension plan – The Retirement Plan for Employees of City of Woodburn, Oregon (Continued)

#### C. Schedule of employer contributions

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contribution and Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
1992	\$ 336,849	100%	\$ --
1993	359,033	100%	--
1994	400,481	100%	--
1995	433,486	100%	--
1996	426,819	100%	--
1997	458,355	100%	--
1998	449,920	100%	--
1999	202,223	100%	--
2000	3,106	100%	--
2001	294	100%	--
2002	--	100%	--
2004	--	100%	--
2005	--	100%	--
2006	--	100%	--

### 10. Defined benefit pension plan – Oregon PERS

#### Retirement plan

The City contributes to the Oregon Public Employees' Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP), a cost sharing multiple-employer hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15, or 20 year period. Employees hired on or after August 29, 2003, participate only in OPSRP. Beginning January 1, 2005, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account, however any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit pension plan – Oregon PERS (continued)

City employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the City's contribution rate is 12.49 percent of covered compensation.

For employees hired on or after August 29, 2003, the City's contribution rate for the period beginning July 1, 2005 and ending February 28, 2006 was 8.04 percent of covered compensation. The City's contribution rate for employees hired after August 29, 2003 is 7.78 percent beginning March 1, 2006.

The City's contribution to the plan for the years ending June 30, 2006, 2005 and 2004, were equal to the City's required contributions for each year as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>City</u> <u>Contribution</u>	<u>Member</u> <u>Contribution</u>	<u>Totals</u>
2006	\$ 818,358	\$ 395,345	\$ 1,213,703
2005	502,411	365,339	867,750
2004	462,527	339,677	802,204

### 11. Defined contribution pension plan

The City sponsors a defined contribution pension plan administered by ICMA Retirement Corp. to provide retirement benefits for the City Administrator, City Attorney and Public Works Director. The plan provisions and contribution requirements are established and may be amended by the City Council. The City has established a contribution rate of 17.3 percent, 7 percent and 8 percent of covered salary for the three positions, respectively. The City contributed \$80,206 to the plan for the year ended June 30, 2006.

### 12. Net assets restricted through enabling legislation

The amount of net assets restricted by enabling legislation is as follows:

#### Governmental Activities

Capital Projects – City ordinance restricts the use of Transportation Impact Fees to capital improvements which expand the capacity of the street system \$ 5,716,718

Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use 796,657

#### Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made 2,350,197

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined benefit pension plan – Oregon PERS (continued)

City employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the City's contribution rate is 12.49 percent of covered compensation. For employees hired on or after August 29, 2003, the City's contribution rate for the period beginning July 1, 2005 and ending February 28, 2006 was 8.04 percent of covered compensation. The City's contribution rate for employees hired after August 29, 2003 is 7.78 percent beginning March 1, 2006.

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Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made 2,350,197

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. Segment information for Enterprise Funds

The City maintains two Enterprise utilities, which provide water and wastewater services. The water utility is accounted for in three funds and the wastewater utility in four funds.

Summary financial information for the water and wastewater utilities for the year ended June 30, 2006 is as follows:

Condensed statement of net assets	Water	Wastewater
Assets		
Current assets	\$ 5,105,850	\$ 2,787,357
Restricted cash and investments	187,938	28,222
Capital assets	<u>22,647,883</u>	<u>40,870,636</u>
Total assets	<u>27,941,671</u>	<u>43,686,215</u>
Liabilities		
Current liabilities	1,136,969	1,815,491
Noncurrent liabilities	<u>15,211,754</u>	<u>23,828,226</u>
Total liabilities	<u>16,348,723</u>	<u>25,643,717</u>
Net assets		
Invested in capital assets, net of related debt	6,938,949	15,695,571
Restricted	4,336,354	2,293,704
Unrestricted	<u>317,645</u>	<u>53,223</u>
Total net assets	<u>\$ 11,592,948</u>	<u>\$ 18,042,498</u>
Condensed statement of revenues, expenses, and changes in net assets		
Operating revenue	\$ 2,897,873	\$ 3,655,497
Depreciation expense	479,966	1,926,607
Other operating expenses	<u>1,556,040</u>	<u>1,703,015</u>
Operating income	861,867	25,875
Nonoperating revenues (expenses)	<u>(485,416)</u>	<u>(1,005,291)</u>
Income (loss) before contributions and transfers	376,451	(979,416)
Capital contributions	441,132	590,903
Transfers in	888,779	1,526,125
Transfers out	<u>(1,172,734)</u>	<u>(1,986,594)</u>
Change in net assets	533,628	(848,982)
Net assets – beginning	<u>11,059,320</u>	<u>18,891,480</u>
Net assets – ending	<u>\$ 11,592,948</u>	<u>\$ 18,042,498</u>
Condensed statement cash flows		
Cash provided by operating activities	\$ 1,654,636	\$ 2,050,558
Cash (used in) noncapital financing activities	(283,955)	(462,226)
Cash (used in) capital and related financing activities	(1,297,430)	(2,191,902)
Cash provided by investing activities	<u>191,172</u>	<u>97,221</u>
Net increase (decrease) in cash	264,423	(506,349)
Cash - beginning of year	<u>4,514,414</u>	<u>3,001,705</u>
Cash - end of year	<u>\$ 4,778,837</u>	<u>\$ 2,495,356</u>

### 14. Contingencies - accumulated sick leave

Portions of sick leave accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2006, City employees had accumulated 3,642 days of sick leave.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 15. Risk management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### 16. Interfund transfers

Cash transfers are indicative of funding for capital projects, debt service, subsidies of various city operations and re-allocations of special revenues. The following schedule briefly summarizes the city's transfer activity:

Non-cash transfers occur between proprietary funds for payment of debt by a fund when the long-term obligation is reported in a different fund or when a proprietary fund acquires a capital asset which will be used in a different fund's operations.

Fund	Transfers In	Transfers Out
Governmental		
General	\$ -	\$ 823,059
Street	300,000	289,225
Other Governmental Funds	781,004	33,285
Business-type		
Enterprise funds		
Water	70,000	353,955
Water - non-cash	818,779	-
Water Well Construction - non-cash	-	601,631
Wastewater Treatment Plant	-	462,226
Wastewater Treatment Plant - non-cash	1,526,125	-
Wastewater Treatment Plant Construction - non-cash	-	1,273,387
Other enterprise funds - non-cash	-	468,129
Internal service funds	840,615	29,869
Governmental activities		
Transfer to business-type activities - non-cash	-	1,757
	<u>\$ 4,336,523</u>	<u>\$ 4,336,523</u>

### 17. Expenditures in excess of appropriations

Oregon law prohibits expenditures of a fund in excess of council approved appropriations. The city council approves appropriations by function for each fund.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2006, occurred as follows:

<u>Fund/Appropriation Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General			
Non-departmental	\$ 153,672	\$ 156,594	\$ (2,922)

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**



**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSPORTATION IMPACT FEE - CAPITAL PROJECTS FUND (A MAJOR FUND)  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 600,000	\$ 506,895	\$ (93,105)
Interest	<u>55,000</u>	<u>214,794</u>	<u>159,794</u>
<b>TOTAL REVENUES</b>	<u>655,000</u>	<u>721,689</u>	<u>66,689</u>
<b>EXPENDITURES</b>			
Material and services	300,000	--	300,000
Capital outlay	557,100	55,000	502,100
Contingency	<u>3,083,773</u>	<u>--</u>	<u>3,083,773</u>
<b>TOTAL EXPENDITURES</b>	<u>3,940,873</u>	<u>55,000</u>	<u>3,885,873</u>
Excess (deficiency) of revenues over expenditures	(3,285,873)	666,689	3,952,562
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>500,000</u>	<u>--</u>	<u>(500,000)</u>
Net change in fund balance	(2,785,873)	666,689	3,452,562
Fund balance at beginning of year	<u>5,050,029</u>	<u>5,050,029</u>	<u>--</u>
Fund balance at end of year	<u>\$ 2,264,156</u>	<u>\$ 5,716,718</u>	<u>\$ 3,452,562</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE CONSTRUCTION - CAPITAL PROJECTS FUND (A MAJOR FUND)  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 294,000	\$ --	\$ (294,000)
Interest	<u>64,000</u>	<u>206,670</u>	<u>142,670</u>
TOTAL REVENUES	<u>358,000</u>	<u>206,670</u>	<u>(151,330)</u>
<b>EXPENDITURES</b>			
Material and services	725,422	447,053	278,369
Capital outlay	<u>5,975,578</u>	<u>3,429,262</u>	<u>2,546,316</u>
TOTAL EXPENDITURES	<u>6,701,000</u>	<u>3,876,315</u>	<u>2,824,685</u>
Net change in fund balance	(6,343,000)	(3,669,645)	2,673,355
Fund balance at beginning of year	<u>6,343,000</u>	<u>6,342,218</u>	<u>(782)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 2,672,573</u>	<u>\$ 2,672,573</u>

**CITY OF WOODBURN**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**June 30, 2006**

	Special Revenue	Debt Service	Capital Projects	Totals
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,792,741	\$ 1,888,724	\$ 3,671,262	\$ 7,352,727
Receivables	702,492	46,075	708,004	1,456,571
<b>TOTAL ASSETS</b>	<b><u>\$ 2,495,233</u></b>	<b><u>\$ 1,934,799</u></b>	<b><u>\$ 4,379,266</u></b>	<b><u>\$ 8,809,298</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued items	\$ 166,518	--	\$ 75,873	\$ 242,391
Deferred revenue	637,802	20,140	590,847	1,248,789
Matured coupons payable	--	933	--	933
<b>TOTAL LIABILITIES</b>	<b><u>804,320</u></b>	<b><u>21,073</u></b>	<b><u>666,720</u></b>	<b><u>1,492,113</u></b>
<b><u>FUND BALANCES</u></b>				
Reserved for debt service	--	1,913,726	--	1,913,726
Unreserved	1,690,913	--	3,712,546	5,403,459
<b>TOTAL FUND BALANCES</b>	<b><u>1,690,913</u></b>	<b><u>1,913,726</u></b>	<b><u>3,712,546</u></b>	<b><u>7,317,185</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,495,233</u></b>	<b><u>\$ 1,934,799</u></b>	<b><u>\$ 4,379,266</u></b>	<b><u>\$ 8,809,298</u></b>

# CITY OF WOODBURN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS Year Ended June 30, 2006

	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUES</b>				
Property taxes	\$ 136,843	\$ 1,085,328	\$ -	\$ 1,222,171
System development charges	-	-	129,286	129,286
Franchise fees	16,347	-	245,363	261,710
Permits and fees	308,972	-	-	308,972
Intergovernmental	435,423	-	204,494	639,917
Interest	75,235	60,914	137,821	273,970
Other	248,398	-	962,639	1,211,037
<b>TOTAL REVENUES</b>	<u>1,221,218</u>	<u>1,146,242</u>	<u>1,679,603</u>	<u>4,047,063</u>
<b>EXPENDITURES</b>				
General government	663,476	-	340,581	1,004,057
Public safety	8,400	-	-	8,400
Highways and streets	-	-	172,758	172,758
Capital outlay	501,023	-	1,908,740	2,409,763
Debt service	67,295	1,495,758	34,757	1,597,810
<b>TOTAL EXPENDITURES</b>	<u>1,240,194</u>	<u>1,495,758</u>	<u>2,456,836</u>	<u>5,192,788</u>
Excess (deficiency) of revenues over expenditures	<u>(18,976)</u>	<u>(349,516)</u>	<u>(777,233)</u>	<u>(1,145,725)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term obligations	-	1,850,000	-	1,850,000
Transfers in	69,644	-	711,360	781,004
Transfers out	(33,285)	-	-	(33,285)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>36,359</u>	<u>1,850,000</u>	<u>711,360</u>	<u>2,597,719</u>
Net change in fund balances	17,383	1,500,484	(65,873)	1,451,994
Fund balance at beginning of year	<u>1,673,530</u>	<u>413,242</u>	<u>3,778,419</u>	<u>5,865,191</u>
Fund balance at end of year	<u>\$ 1,690,913</u>	<u>\$ 1,913,726</u>	<u>\$ 3,712,546</u>	<u>\$ 7,317,185</u>

**CITY OF WOODBURN**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2006**

	General Operating Reserve	Transit System	Investigation and Seizure	State Revenue Sharing
<b><u>ASSETS</u></b>				
Cash and investments	\$ 223,819	\$ 66,272	\$ 6,679	\$ 172,364
Receivables	--	7,406	--	48,784
<b>TOTAL ASSETS</b>	<b><u>\$ 223,819</u></b>	<b><u>\$ 73,678</u></b>	<b><u>\$ 6,679</u></b>	<b><u>\$ 221,148</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued items	\$ --	\$ 8,984	\$ --	\$ 62,000
Deferred revenue	--	5,560	--	--
<b>TOTAL LIABILITIES</b>	<b>--</b>	<b>14,544</b>	<b>--</b>	<b>62,000</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	<u>223,819</u>	<u>59,134</u>	<u>6,679</u>	<u>159,148</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 223,819</u></b>	<b><u>\$ 73,678</u></b>	<b><u>\$ 6,679</u></b>	<b><u>\$ 221,148</u></b>

Housing Rehabilitation	Federal Programs	Cable Franchise Management	City Gas Tax	Building	Library Endowment	Museum Endowment	Totals
\$ 673,792	\$ 1,995	\$ 3,573	\$ 243,039	\$ 368,258	\$ 23,029	\$ 9,921	\$ 1,792,741
<u>632,242</u>	<u>--</u>	<u>4,372</u>	<u>9,688</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>702,492</u>
<u>\$ 1,306,034</u>	<u>\$ 1,995</u>	<u>\$ 7,945</u>	<u>\$ 252,727</u>	<u>\$ 368,258</u>	<u>\$ 23,029</u>	<u>\$ 9,921</u>	<u>\$ 2,495,233</u>
\$ 20,252	--	\$ 2,732	\$ 70,871	\$ 1,679	--	--	\$ 166,518
<u>632,242</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>637,802</u>
652,494	--	2,732	70,871	1,679	--	--	804,320
<u>653,540</u>	<u>1,995</u>	<u>5,213</u>	<u>181,856</u>	<u>366,579</u>	<u>23,029</u>	<u>9,921</u>	<u>1,690,913</u>
<u>\$ 1,306,034</u>	<u>\$ 1,995</u>	<u>\$ 7,945</u>	<u>\$ 252,727</u>	<u>\$ 368,258</u>	<u>\$ 23,029</u>	<u>\$ 9,921</u>	<u>\$ 2,495,233</u>

# CITY OF WOODBURN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES SPECIAL REVENUE FUNDS Year Ended June 30, 2006

	General Operating Reserve	Transit System	Investigation and Seizure	State Revenue Sharing
<b>REVENUES</b>				
Property taxes	\$ -	\$ 136,843	\$ -	\$ -
Franchise fees	-	-	-	-
Permits and fees	-	-	-	-
Intergovernmental	-	87,835	-	198,768
Interest	8,670	3,021	481	5,300
Other	600	22,111	1,148	-
<b>TOTAL REVENUES</b>	<u>9,270</u>	<u>249,810</u>	<u>1,629</u>	<u>204,068</u>
<b>EXPENDITURES</b>				
General government	-	276,538	-	-
Public safety	-	-	8,400	-
Capital outlay	-	-	-	138,274
Debt service	-	-	-	47,043
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>276,538</u>	<u>8,400</u>	<u>185,317</u>
Excess (deficiency) of revenues over expenditures	<u>9,270</u>	<u>(26,728)</u>	<u>(6,771)</u>	<u>18,751</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	27,507	-	-
Transfers out	-	(3,639)	-	(20,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>23,868</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balances	9,270	(2,860)	(6,771)	(1,249)
Fund balance at beginning of year	<u>214,549</u>	<u>61,994</u>	<u>13,450</u>	<u>160,397</u>
Fund balance at end of year	<u>\$ 223,819</u>	<u>\$ 59,134</u>	<u>\$ 6,679</u>	<u>\$ 159,148</u>

Housing Rehabilitation	Federal Programs	Cable Franchise Management	City Gas Tax	Building	Library Endowment	Museum Endowment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	136,843
-	-	16,347	-	-	-	-	16,347
-	-	-	-	308,972	-	-	308,972
-	42,218	-	106,602	-	-	-	435,423
23,992	367	90	17,942	14,093	893	386	75,235
213,777	-	3,729	-	6,896	137	-	248,398
237,769	42,585	20,166	124,544	329,961	1,030	386	1,221,218
4,024	84,573	19,345	-	278,996	-	-	663,476
-	-	-	-	-	-	-	8,400
-	-	-	362,749	-	-	-	501,023
20,252	-	-	-	-	-	-	67,295
24,276	84,573	19,345	362,749	278,996	-	-	1,240,194
213,493	(41,988)	821	(238,205)	50,965	1,030	386	(18,976)
-	42,137	-	-	-	-	-	69,644
-	(2,140)	-	-	(7,506)	-	-	(33,285)
-	39,997	-	-	(7,506)	-	-	36,359
213,493	(1,991)	821	(238,205)	43,459	1,030	386	17,383
440,047	3,986	4,392	420,061	323,120	21,999	9,535	1,673,530
\$ 653,540	\$ 1,995	\$ 5,213	\$ 181,856	\$ 366,579	\$ 23,029	\$ 9,921	\$ 1,690,913



**CITY OF WOODBURN**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**June 30, 2006**

	Bonded Debt	Bancroft Bond Redemption	Urban Renewal Debt Service	Totals
<b><u>ASSETS</u></b>				
Cash and investments	\$ 94,221	\$ 6,704	\$ 1,787,799	\$ 1,888,724
Receivables	25,905	--	20,170	46,075
<b>TOTAL ASSETS</b>	<b>\$ 120,126</b>	<b>\$ 6,704</b>	<b>\$ 1,807,969</b>	<b>\$ 1,934,799</b>
<b><u>LIABILITIES</u></b>				
Deferred revenue	\$ 17,334	--	\$ 15,274	\$ 32,608
Matured coupons payable	--	933	--	933
<b>TOTAL LIABILITIES</b>	<b>17,334</b>	<b>933</b>	<b>15,274</b>	<b>33,541</b>
<b><u>FUND BALANCES</u></b>				
Reserved for debt service	102,792	5,771	1,792,695	1,901,258
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 120,126</b>	<b>\$ 6,704</b>	<b>\$ 1,807,969</b>	<b>\$ 1,934,799</b>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUNDS  
Year Ended June 30, 2006**

	Bonded Debt	Bancroft Bond Redemption	Urban Renewal Debt Service	Totals
<b>REVENUES</b>				
Property taxes	\$ 660,471	\$ -	\$ 424,857	\$ 1,085,328
Interest	8,147	260	52,507	60,914
<b>TOTAL REVENUES</b>	668,618	260	477,364	1,146,242
<b>EXPENDITURES</b>				
Debt service	649,000	-	846,758	1,495,758
Excess (deficiency) of revenues over expenditures	19,618	260	(369,394)	(349,516)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term obligations	-	-	1,850,000	1,850,000
Net change in fund balances	19,618	260	1,480,606	1,500,484
Fund balance at beginning of year	83,174	5,511	312,089	400,774
Fund balance at end of year	\$ 102,792	\$ 5,771	\$ 1,792,695	\$ 1,901,258

**CITY OF WOODBURN**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**June 30, 2006**

	Special Assessment	Street/Storm Capital Improvement	Parks Capital Improvement	Information Services
<b><u>ASSETS</u></b>				
Cash and investments	\$ 380,125	\$ 1,004,048	\$ 739,690	\$ 93,000
Receivables	590,847	9,284	--	--
<b>TOTAL ASSETS</b>	<b>\$ 970,972</b>	<b>\$ 1,013,332</b>	<b>\$ 739,690</b>	<b>\$ 93,000</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued items	\$ 1,572	\$ 29,390	--	\$ 5,380
Deferred revenue	590,847	--	--	--
<b>TOTAL LIABILITIES</b>	<b>592,419</b>	<b>29,390</b>	<b>--</b>	<b>5,380</b>
<b><u>FUND BALANCES</u></b>				
Unreserved	378,553	983,942	739,690	87,620
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 970,972</b>	<b>\$ 1,013,332</b>	<b>\$ 739,690</b>	<b>\$ 93,000</b>

Storm Water System Development	Public Works Facility Construction	Economic Development Revolving Loan	General Fund Capital Improvement	Equipment Replacement	CDBG	Totals
\$ 994,530	\$ 28,538	\$ 231,484	\$ 26,732	\$ 255,275	\$ (82,160)	\$ 3,671,262
--	--	--	--	6,987	100,886	708,004
<u>\$ 994,530</u>	<u>\$ 28,538</u>	<u>\$ 231,484</u>	<u>\$ 26,732</u>	<u>\$ 262,262</u>	<u>\$ 18,726</u>	<u>\$ 4,379,266</u>
\$ 24,081	--	--	\$ 1,242	263	13,945	\$ 75,873
--	--	--	--	--	--	590,847
24,081	--	--	1,242	263	13,945	666,720
<u>970,449</u>	<u>28,538</u>	<u>231,484</u>	<u>25,490</u>	<u>261,999</u>	<u>4,781</u>	<u>3,712,546</u>
<u>\$ 994,530</u>	<u>\$ 28,538</u>	<u>\$ 231,484</u>	<u>\$ 26,732</u>	<u>\$ 262,262</u>	<u>\$ 18,726</u>	<u>\$ 4,379,266</u>

# CITY OF WOODBURN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS Year Ended June 30, 2006

	Special Assessment	Street/Storm Capital Improvement	Parks Capital Improvement	Information Services
<b>REVENUES</b>				
System development charges	\$ -	\$ -	\$ 80,200	\$ -
Franchise fees	-	245,363	-	-
Intergovernmental	-	-	-	-
Interest	12,649	30,005	31,976	4,723
Other	239,691	620,779	-	21,027
<b>TOTAL REVENUES</b>	<u>252,340</u>	<u>896,147</u>	<u>112,176</u>	<u>25,750</u>
<b>EXPENDITURES</b>				
General government	17,012	-	-	311,919
Highways and streets	-	160,596	-	-
Capital outlay	-	897,532	119,985	60,688
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>17,012</u>	<u>1,058,128</u>	<u>119,985</u>	<u>372,607</u>
Excess (deficiency) of revenues over expenditures	235,328	(161,981)	(7,809)	(346,857)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	351,925
Net change in fund balances	235,328	(161,981)	(7,809)	5,068
Fund balance at beginning of year	143,225	1,145,923	747,499	82,552
Fund balance at end of year	<u>\$ 378,553</u>	<u>\$ 983,942</u>	<u>\$ 739,690</u>	<u>\$ 87,620</u>

Storm Water System Development	Public Works Facility Construction	Economic Development Revolving Loan	General Fund Capital Improvement	Equipment Replacement	CDBG	Totals
\$ 49,086	\$ -	\$ -	\$ -	\$ -	\$ -	129,286
-	-	-	-	-	-	245,363
-	-	-	-	9,487	195,007	204,494
37,952	1,135	9,369	(412)	10,424	-	137,821
-	-	-	81,142	-	-	962,639
87,038	1,135	9,369	80,730	19,911	195,007	1,679,603
-	-	-	-	-	11,650	340,581
12,162	-	-	-	-	-	172,758
24,081	3,478	-	377,948	246,452	178,576	1,908,740
-	-	34,757	-	-	-	34,757
36,243	3,478	34,757	377,948	246,452	190,226	2,456,836
50,795	(2,343)	(25,388)	(297,218)	(226,541)	4,781	(777,233)
-	-	-	198,250	161,185	-	711,360
50,795	(2,343)	(25,388)	(98,968)	(65,356)	4,781	(65,873)
919,654	30,881	256,872	124,458	327,355	-	3,778,419
\$ 970,449	\$ 28,538	\$ 231,484	\$ 25,490	\$ 261,999	\$ 4,781	\$ 3,712,546

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL OPERATING RESERVE - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 3,000	\$ 8,670	\$ 5,670
Other	<u>--</u>	<u>600</u>	<u>600</u>
 TOTAL REVENUES	 3,000	 9,270	 6,270
 <b>EXPENDITURES</b>			
Contingency	<u>100,000</u>	<u>--</u>	<u>100,000</u>
 Net change in fund balance	 (97,000)	 9,270	 106,270
Fund balance at beginning of year	<u>213,000</u>	<u>214,549</u>	<u>1,549</u>
 Fund balance at end of year	 <u>\$ 116,000</u>	 <u>\$ 223,819</u>	 <u>\$ 107,819</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSIT SYSTEM - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 131,250	\$ 136,843	\$ 5,593
Intergovernmental	87,500	87,835	335
Interest	500	3,021	2,521
Other	24,800	22,111	(2,689)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	244,050	249,810	5,760
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
City transit system	137,617	132,134	5,483
Dial-a-ride	150,742	144,404	6,338
Contingency	28,857	--	28,857
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	317,216	276,538	40,678
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(73,166)	(26,728)	46,438
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	27,507	27,507	--
Transfers out	(3,639)	(3,639)	--
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	23,868	23,868	--
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(49,298)	(2,860)	46,438
Fund balance at beginning of year	61,994	61,994	--
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ 12,696	\$ 59,134	\$ 46,438
	<hr/>	<hr/>	<hr/>



**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
INVESTIGATION AND SEIZURE - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 400	\$ 481	\$ 81
Other	<u>--</u>	<u>1,148</u>	<u>1,148</u>
<b>TOTAL REVENUES</b>	<u>400</u>	<u>1,629</u>	<u>1,229</u>
<b>EXPENDITURES</b>			
Material and services	13,000	8,400	4,600
Contingency	<u>900</u>	<u>--</u>	<u>900</u>
<b>TOTAL EXPENDITURES</b>	<u>13,900</u>	<u>8,400</u>	<u>5,500</u>
Net change in fund balance	(13,500)	(6,771)	6,729
Fund balance at beginning of year	<u>13,500</u>	<u>13,450</u>	<u>(50)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 6,679</u>	<u>\$ 6,679</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STATE REVENUE SHARING - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 150,000	\$ 198,768	\$ 48,768
Interest	<u>1,500</u>	<u>5,300</u>	<u>3,800</u>
<b>TOTAL REVENUES</b>	<u>151,500</u>	<u>204,068</u>	<u>52,568</u>
<b>EXPENDITURES</b>			
Material and services	9,000	--	9,000
Capital outlay	147,000	138,274	8,726
Debt service	47,043	47,043	--
Contingency	<u>88,854</u>	<u>--</u>	<u>88,854</u>
<b>TOTAL EXPENDITURES</b>	<u>291,897</u>	<u>185,317</u>	<u>106,580</u>
Excess (deficiency) of revenues over expenditures	(140,397)	18,751	159,148
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>--</u>
Net change in fund balance	(160,397)	(1,249)	159,148
Fund balance at beginning of year	<u>160,397</u>	<u>160,397</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 159,148</u>	<u>\$ 159,148</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HOUSING REHABILITATION - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 10,000	\$ 23,992	\$ 13,992
Facility rentals	--	7,123	7,123
Other	<u>134,828</u>	<u>206,654</u>	<u>71,826</u>
 TOTAL REVENUES	 <u>144,828</u>	 <u>237,769</u>	 <u>92,941</u>
 <b>EXPENDITURES</b>			
Personal services	9,015	4,024	4,991
Debt service	20,500	20,252	248
Contingency	<u>555,360</u>	<u>--</u>	<u>555,360</u>
 TOTAL EXPENDITURES	 <u>584,875</u>	 <u>24,276</u>	 <u>560,599</u>
 Net change in fund balance	 (440,047)	 213,493	 653,540
Fund balance at beginning of year	<u>440,047</u>	<u>440,047</u>	<u>--</u>
 Fund balance at end of year	 <u>\$ --</u>	 <u>\$ 653,540</u>	 <u>\$ 653,540</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FEDERAL PROGRAMS - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 62,000	\$ 42,218	\$ (19,782)
Interest	<u>200</u>	<u>367</u>	<u>167</u>
<b>TOTAL REVENUES</b>	<u>62,200</u>	<u>42,585</u>	<u>(19,615)</u>
<b>EXPENDITURES</b>			
Personal services	91,542	76,374	15,168
Material and services	<u>8,835</u>	<u>8,199</u>	<u>636</u>
<b>TOTAL EXPENDITURES</b>	<u>100,377</u>	<u>84,573</u>	<u>15,804</u>
Excess (deficiency) of revenues over expenditures	<u>(38,177)</u>	<u>(41,988)</u>	<u>(3,811)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	42,137	42,137	--
Transfers out	<u>(2,140)</u>	<u>(2,140)</u>	<u>--</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>39,997</u>	<u>39,997</u>	<u>--</u>
Net change in fund balance	1,820	(1,991)	(3,811)
Fund balance at beginning of year	<u>1,747</u>	<u>3,986</u>	<u>2,239</u>
Fund balance at end of year	<u>\$ 3,567</u>	<u>\$ 1,995</u>	<u>\$ (1,572)</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CABLE FRANCHISE MANAGEMENT - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Franchise fees	\$ 13,885	\$ 16,347	\$ 2,462
Interest	--	90	90
Other	<u>3,700</u>	<u>3,729</u>	<u>29</u>
<b>TOTAL REVENUES</b>	<u>17,585</u>	<u>20,166</u>	<u>2,581</u>
<b>EXPENDITURES</b>			
Material and services	19,400	19,345	55
Contingency	<u>1,916</u>	<u>--</u>	<u>1,916</u>
<b>TOTAL EXPENDITURES</b>	<u>21,316</u>	<u>19,345</u>	<u>1,971</u>
Net change in fund balance	(3,731)	821	4,552
Fund balance at beginning of year	<u>3,731</u>	<u>4,392</u>	<u>661</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 5,213</u>	<u>\$ 5,213</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CITY GAS TAX - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 110,000	\$ 106,602	\$ (3,398)
Interest	<u>3,500</u>	<u>17,942</u>	<u>14,442</u>
<b>TOTAL REVENUES</b>	<u>113,500</u>	<u>124,544</u>	<u>11,044</u>
<b>EXPENDITURES</b>			
Material and services	7,000	--	7,000
Capital outlay	364,621	362,749	1,872
Contingency	<u>161,940</u>	<u>--</u>	<u>161,940</u>
<b>TOTAL EXPENDITURES</b>	<u>533,561</u>	<u>362,749</u>	<u>170,812</u>
Net change in fund balance	(420,061)	(238,205)	181,856
Fund balance at beginning of year	<u>420,061</u>	<u>420,061</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 181,856</u>	<u>\$ 181,856</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUILDING - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Permits and fees	\$ 308,990	\$ 308,972	\$ (18)
Interest	5,000	14,093	9,093
Other	<u>4,000</u>	<u>6,896</u>	<u>2,896</u>
 TOTAL REVENUES	 <u>317,990</u>	 <u>329,961</u>	 <u>11,971</u>
 <b>EXPENDITURES</b>			
Personal services	274,371	251,997	22,374
Material and services	42,538	26,999	15,539
Contingency	<u>295,942</u>	<u>--</u>	<u>295,942</u>
 TOTAL EXPENDITURES	 <u>612,851</u>	 <u>278,996</u>	 <u>333,855</u>
 Excess (deficiency) of revenues over expenditures	 (294,861)	 50,965	 345,826
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(7,506)</u>	<u>(7,506)</u>	<u>--</u>
 Net change in fund balance	 (302,367)	 43,459	 345,826
Fund balance at beginning of year	<u>323,120</u>	<u>323,120</u>	<u>--</u>
 Fund balance at end of year	 <u>\$ 20,753</u>	 <u>\$ 366,579</u>	 <u>\$ 345,826</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LIBRARY ENDOWMENT - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,000	\$ 893	\$ (107)
Other	<u>--</u>	<u>137</u>	<u>137</u>
 TOTAL REVENUES	 1,000	 1,030	 30
 <b>EXPENDITURES</b>			
Contingency	<u>24,000</u>	<u>--</u>	<u>24,000</u>
 Net change in fund balance	 (23,000)	 1,030	 24,030
Fund balance at beginning of year	<u>23,000</u>	<u>21,999</u>	<u>(1,001)</u>
 Fund balance at end of year	 <u>\$ --</u>	 <u>\$ 23,029</u>	 <u>\$ 23,029</u>



**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MUSEUM ENDOWMENT - SPECIAL REVENUE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 300	\$ 386	\$ 86
<b>EXPENDITURES</b>			
Material and services	<u>10,000</u>	<u>--</u>	<u>10,000</u>
Net change in fund balance	(9,700)	386	10,086
Fund balance at beginning of year	<u>9,700</u>	<u>9,535</u>	<u>(165)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 9,921</u>	<u>\$ 9,921</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BONDED DEBT - DEBT SERVICE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 651,000	\$ 660,471	\$ 9,471
Interest	<u>3,000</u>	<u>8,147</u>	<u>5,147</u>
 TOTAL REVENUES	 <u>654,000</u>	 <u>668,618</u>	 <u>14,618</u>
 <b>EXPENDITURES</b>			
Personal services	1,607	--	1,607
Debt service	649,000	649,000	--
Contingency	<u>79,393</u>	<u>--</u>	<u>79,393</u>
 TOTAL EXPENDITURES	 <u>730,000</u>	 <u>649,000</u>	 <u>81,000</u>
 Net change in fund balance	(76,000)	19,618	95,618
Fund balance at beginning of year	<u>76,000</u>	<u>83,174</u>	<u>7,174</u>
 Fund balance at end of year	 <u>\$ --</u>	 <u>\$ 102,792</u>	 <u>\$ 102,792</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BANCROFT BOND REDEMPTION - DEBT SERVICE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 200	\$ 260	\$ 60
<b>EXPENDITURES</b>			
Contingency	<u>5,700</u>	<u>--</u>	<u>5,700</u>
Net change in fund balance	(5,500)	260	5,760
Fund balance at beginning of year	<u>5,500</u>	<u>5,511</u>	<u>11</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 5,771</u>	<u>\$ 5,771</u>

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL URBAN RENEWAL DEBT SERVICE - DEBT SERVICE FUND Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 330,000	\$ 424,857	\$ 94,857
Interest	<u>--</u>	<u>52,507</u>	<u>52,507</u>
<b>TOTAL REVENUES</b>	<u>330,000</u>	<u>477,364</u>	<u>147,364</u>
<b>EXPENDITURES</b>			
Debt service	1,297,500	846,758	450,742
Contingency	<u>2,228</u>	<u>--</u>	<u>2,228</u>
<b>TOTAL EXPENDITURES</b>	<u>1,299,728</u>	<u>846,758</u>	<u>452,970</u>
Excess (deficiency) of revenues over expenditures	(969,728)	(369,394)	(600,334)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	<u>714,000</u>	<u>1,850,000</u>	<u>1,136,000</u>
Net change in fund balance	(255,728)	1,480,606	1,736,334
Fund balance at beginning of year	<u>327,228</u>	<u>312,089</u>	<u>(15,139)</u>
Fund balance at end of year	<u>\$ 71,500</u>	<u>\$ 1,792,695</u>	<u>\$ 1,721,195</u>

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL ASSESSMENT - CAPITAL PROJECTS FUND Year Ended June 30, 2006

	Budget	Actual	Variance
<b>REVENUES</b>			
Interest	\$ 4,012	\$ 12,649	\$ 8,637
Other	30,000	239,691	209,691
<b>TOTAL REVENUES</b>	34,012	252,340	218,328
<b>EXPENDITURES</b>			
Material and services	75,500	17,012	58,488
Capital outlay	293,500	--	293,500
Contingency	308,237	--	308,237
<b>TOTAL EXPENDITURES</b>	677,237	17,012	660,225
Excess (deficiency) of revenues over expenditures	(643,225)	235,328	878,553
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	500,000	--	(500,000)
Net change in fund balance	(143,225)	235,328	378,553
Fund balance at beginning of year	143,225	143,225	--
Fund balance at end of year	\$ --	\$ 378,553	\$ 378,553

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STREET/STORM CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Franchise fees	\$ 687,000	\$ 245,363	\$ (441,637)
Interest	15,000	30,005	15,005
Other	<u>1,251,000</u>	<u>620,779</u>	<u>(630,221)</u>
 TOTAL REVENUES	 <u>1,953,000</u>	 <u>896,147</u>	 <u>(1,056,853)</u>
 <b>EXPENDITURES</b>			
Material and services	492,400	160,596	331,804
Capital outlay	2,237,700	897,532	1,340,168
Contingency	<u>368,823</u>	<u>--</u>	<u>368,823</u>
 TOTAL EXPENDITURES	 <u>3,098,923</u>	 <u>1,058,128</u>	 <u>2,040,795</u>
 Net change in fund balance	 (1,145,923)	 (161,981)	 983,942
Fund balance at beginning of year	<u>1,145,923</u>	<u>1,145,923</u>	<u>--</u>
 Fund balance at end of year	 <u>\$ --</u>	 <u>\$ 983,942</u>	 <u>\$ 983,942</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PARKS CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 217,000	\$ 80,200	\$ (136,800)
Interest	<u>13,000</u>	<u>31,976</u>	<u>18,976</u>
 TOTAL REVENUES	 <u>230,000</u>	 <u>112,176</u>	 <u>(117,824)</u>
 <b>EXPENDITURES</b>			
Materials and services	65,000	--	65,000
Capital outlay	120,000	119,985	15
Contingency	<u>792,499</u>	<u>--</u>	<u>792,499</u>
 TOTAL EXPENDITURES	 <u>977,499</u>	 <u>119,985</u>	 <u>857,514</u>
 Net change in fund balance	(747,499)	(7,809)	739,690
Fund balance at beginning of year	<u>747,499</u>	<u>747,499</u>	<u>--</u>
 Fund balance at end of year	 <u>\$ --</u>	 <u>\$ 739,690</u>	 <u>\$ 739,690</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
INFORMATION SERVICES - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,300	\$ 4,723	\$ 3,423
Other	<u>19,850</u>	<u>21,027</u>	<u>1,177</u>
<b>TOTAL REVENUES</b>	<u>21,150</u>	<u>25,750</u>	<u>4,600</u>
<b>EXPENDITURES</b>			
Personal services	212,589	185,545	27,044
Material and services	140,700	126,374	14,326
Capital outlay	63,100	60,688	2,412
Contingency	<u>24,714</u>	<u>--</u>	<u>24,714</u>
<b>TOTAL EXPENDITURES</b>	<u>441,103</u>	<u>372,607</u>	<u>68,496</u>
Excess (deficiency) of revenues over expenditures	(419,953)	(346,857)	73,096
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>337,401</u>	<u>351,925</u>	<u>14,524</u>
Net change in fund balance	(82,552)	5,068	87,620
Fund balance at beginning of year	<u>82,552</u>	<u>82,552</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 87,620</u>	<u>\$ 87,620</u>



**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STORM WATER SYSTEM DEVELOPMENT - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System development charges	\$ 75,000	\$ 49,086	\$ (25,914)
Interest	<u>9,000</u>	<u>37,952</u>	<u>28,952</u>
 TOTAL REVENUES	 <u>84,000</u>	 <u>87,038</u>	 <u>3,038</u>
 <b>EXPENDITURES</b>			
Material and services	80,400	12,162	68,238
Capital outlay	471,500	24,081	447,419
Contingency	<u>242,784</u>	<u>--</u>	<u>242,784</u>
 TOTAL EXPENDITURES	 <u>794,684</u>	 <u>36,243</u>	 <u>758,441</u>
 Net change in fund balance	(710,684)	50,795	761,479
Fund balance at beginning of year	<u>919,654</u>	<u>919,654</u>	<u>--</u>
 Fund balance at end of year	 <u>\$ 208,970</u>	 <u>\$ 970,449</u>	 <u>\$ 761,479</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PUBLIC WORKS FACILITY CONSTRUCTION - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 500	\$ 1,135	\$ 635
<b>EXPENDITURES</b>			
Capital outlay	25,876	3,478	22,398
Contingency	4,991	--	4,991
<b>TOTAL EXPENDITURES</b>	<u>30,867</u>	<u>3,478</u>	<u>27,389</u>
Net change in fund balance	(30,367)	(2,343)	28,024
Fund balance at beginning of year	<u>30,367</u>	<u>30,881</u>	<u>514</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 28,538</u>	<u>\$ 28,538</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ECONOMIC DEVELOPMENT REVOLVING LOAN - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 3,200	\$ 9,369	\$ 6,169
<b>EXPENDITURES</b>			
Material and services	20,000	--	20,000
Capital outlay	150,000	--	150,000
Debt service	34,757	34,757	--
Contingency	54,826	--	54,826
<b>TOTAL EXPENDITURES</b>	<u>259,583</u>	<u>34,757</u>	<u>224,826</u>
Net change in fund balance	(256,383)	(25,388)	230,995
Fund balance at beginning of year	<u>256,383</u>	<u>256,872</u>	<u>489</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 231,484</u>	<u>\$ 231,484</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 123,000	\$ --	\$ (123,000)
Interest	--	(412)	(412)
Other	<u>72,500</u>	<u>81,142</u>	<u>8,642</u>
<b>TOTAL REVENUES</b>	<u>195,500</u>	<u>80,730</u>	<u>(114,770)</u>
<b>EXPENDITURES</b>			
Capital outlay	475,208	377,948	97,260
Contingency	<u>18,000</u>	<u>--</u>	<u>18,000</u>
<b>TOTAL EXPENDITURES</b>	<u>493,208</u>	<u>377,948</u>	<u>115,260</u>
Excess (deficiency) of revenues over expenditures	(297,708)	(297,218)	490
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>198,250</u>	<u>198,250</u>	<u>--</u>
Net change in fund balance	(99,458)	(98,968)	490
Fund balance at beginning of year	<u>124,458</u>	<u>124,458</u>	<u>--</u>
Fund balance at end of year	<u>\$ 25,000</u>	<u>\$ 25,490</u>	<u>\$ 490</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 46,800	\$ 9,487	\$ (37,313)
Interest	<u>6,000</u>	<u>10,424</u>	<u>4,424</u>
<b>TOTAL REVENUES</b>	52,800	19,911	(32,889)
<b>EXPENDITURES</b>			
Capital outlay	<u>541,340</u>	<u>246,452</u>	<u>294,888</u>
Excess (deficiency) of revenues over expenditures	(488,540)	(226,541)	261,999
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>161,185</u>	<u>161,185</u>	<u>--</u>
Net change in fund balance	(327,355)	(65,356)	261,999
Fund balance at beginning of year	<u>327,355</u>	<u>327,355</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 261,999</u>	<u>\$ 261,999</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CDBG - CAPITAL PROJECTS FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	<u>\$ 225,000</u>	<u>\$ 195,007</u>	<u>\$ (29,993)</u>
<b>EXPENDITURES</b>			
Materials and services	23,000	11,650	11,350
Capital outlay	<u>202,000</u>	<u>178,576</u>	<u>23,424</u>
<b>TOTAL EXPENDITURES</b>	<u>225,000</u>	<u>190,226</u>	<u>34,774</u>
Net change in fund balance	--	4,781	4,781
Fund balance at beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 4,781</u>	<u>\$ 4,781</u>

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WATER - ENTERPRISE FUND (A MAJOR FUND) Year Ended June 30, 2006

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 1,385,850	\$ 1,486,955	\$ 101,105
Interest	6,000	27,809	21,809
Other	32,200	49,389	17,189
<b>TOTAL REVENUES</b>	<u>1,424,050</u>	<u>1,564,153</u>	<u>140,103</u>
<b>EXPENDITURES</b>			
Water supply	1,191,783	1,097,259	94,524
Meter reading	196,472	183,433	13,039
Water administration	73,191	70,669	2,522
Contingency	325,960	--	325,960
<b>TOTAL EXPENDITURES</b>	<u>1,787,406</u>	<u>1,351,361</u>	<u>436,045</u>
Excess (deficiency) of revenues over expenditures	<u>(363,356)</u>	<u>212,792</u>	<u>576,148</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	70,000	70,000	--
Transfers out	(353,955)	(353,955)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(283,955)</u>	<u>(283,955)</u>	<u>--</u>
Net change in fund balance	(647,311)	(71,163)	576,148
Fund balance - beginning	691,587	691,587	--
Fund balance - ending	<u>\$ 44,276</u>	620,424	<u>\$ 576,148</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Inventories		115,628	
Capital assets, net		22,647,883	
Compensated absences payable		(37,701)	
Accrued interest payable		(380,706)	
Long-term obligations		<u>(15,708,934)</u>	
Net assets - ending		<u>\$ 7,256,594</u>	

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WATER WELL CONSTRUCTION - ENTERPRISE FUND (A MAJOR FUND)  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,334,890	\$ 1,410,918	\$ 76,028
Interest	20,000	114,512	94,512
Other	<u>--</u>	<u>346</u>	<u>346</u>
<b>TOTAL REVENUES</b>	<u>1,354,890</u>	<u>1,525,776</u>	<u>170,886</u>
<b>EXPENDITURES</b>			
Design engineering	40,000	38,447	1,553
Construction engineering	73,332	13,953	59,379
Construction	836,300	674,424	161,876
Debt service	870,000	869,783	217
Contingency	<u>2,758,350</u>	<u>--</u>	<u>2,758,350</u>
<b>TOTAL EXPENDITURES</b>	<u>4,577,982</u>	<u>1,596,607</u>	<u>2,981,375</u>
Excess (deficiency) of revenues over expenditures	(3,223,092)	(70,831)	3,152,261
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term obligations	<u>300,000</u>	<u>204,407</u>	<u>(95,593)</u>
Net change in fund balance	(2,923,092)	133,576	3,056,668
Fund balance - beginning	<u>2,923,092</u>	<u>2,923,092</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ 3,056,668</u>	<u>\$ 3,056,668</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Net assets - ending		<u>\$ 3,056,668</u>	



**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WASTEWATER TREATMENT PLANT - ENTERPRISE FUND (A MAJOR FUND)  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,042,850	\$ 2,029,412	\$ (13,438)
Interest	5,000	12,124	7,124
Other	<u>5,000</u>	<u>1,850</u>	<u>(3,150)</u>
<b>TOTAL REVENUES</b>	<u>2,052,850</u>	<u>2,043,386</u>	<u>(9,464)</u>
<b>EXPENDITURES</b>			
Wastewater treatment plant operations	845,665	742,724	102,941
Wastewater pre-treatment	71,124	71,118	6
Wastewater maintenance	258,742	245,042	13,700
Wastewater lab	75,836	71,727	4,109
POTW administration	650	648	2
Sewer line maintenance	251,606	230,827	20,779
Sewer administration	266,570	247,962	18,608
Contingency	<u>65,290</u>	<u>--</u>	<u>65,290</u>
<b>TOTAL EXPENDITURES</b>	<u>1,835,483</u>	<u>1,610,048</u>	<u>225,435</u>
Excess (deficiency) of revenues over expenditures	217,367	433,338	215,971
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(462,226)</u>	<u>(462,226)</u>	<u>--</u>
Net change in fund balance	(244,859)	(28,888)	215,971
Fund balance - beginning	<u>313,858</u>	<u>313,858</u>	<u>--</u>
Fund balance - ending	\$ <u>68,999</u>	284,970	\$ <u>215,971</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Inventories		55,864	
Capital assets, net		40,870,636	
Accrued interest		(346,836)	
Compensated absences payable		(39,274)	
Long-term obligations		<u>(25,175,065)</u>	
Net assets - ending		\$ <u>15,650,295</u>	

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WASTEWATER TREATMENT PLANT CONSTRUCTION ENTERPRISE FUND (A MAJOR FUND) Year Ended June 30, 2006

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 1,660,829	\$ 1,626,085	\$ (34,744)
Interest	<u>30,000</u>	<u>35,664</u>	<u>5,664</u>
<b>TOTAL REVENUES</b>	<u>1,690,829</u>	<u>1,661,749</u>	<u>(29,080)</u>
<b>EXPENDITURES</b>			
Design engineering	49,000	27,764	21,236
Construction engineering	58,566	35,265	23,301
Construction	293,600	268,399	25,201
Sewer	8,780	8,780	--
Debt service	1,780,551	1,779,702	849
Contingency	<u>69,132</u>	<u>--</u>	<u>69,132</u>
<b>TOTAL EXPENDITURES</b>	<u>2,259,629</u>	<u>2,119,910</u>	<u>139,719</u>
Net change in fund balance	(568,800)	(458,161)	110,639
Fund balance - beginning	<u>1,681,354</u>	<u>1,681,354</u>	<u>--</u>
Fund balance - ending	<u>\$ 1,112,554</u>	<u>\$ 1,223,193</u>	<u>\$ 110,639</u>

### Reconciliation to generally accepted accounting principles

Net assets - ending	<u>\$ 1,223,193</u>
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**CITY OF WOODBURN**

**COMBINING STATEMENT OF NET ASSETS  
OTHER ENTERPRISE FUNDS  
June 30, 2006**

	Water System Development	Wastewater Capital Improvement	Wastewater System Development	Totals
<b><u>ASSETS</u></b>				
Current assets				
Cash and investments	\$ 1,279,686	\$ 83,745	\$ 1,070,511	\$ 2,433,942
Receivables	--	14,754	--	14,754
<b>TOTAL ASSETS</b>	<b><u>\$ 1,279,686</u></b>	<b><u>\$ 98,499</u></b>	<b><u>\$ 1,070,511</u></b>	<b><u>\$ 2,448,696</u></b>
<b><u>NET ASSETS</u></b>				
Restricted for capital projects	1,279,686	--	1,070,511	2,350,197
Unrestricted	--	98,499	--	98,499
<b>TOTAL NET ASSETS</b>	<b><u>\$ 1,279,686</u></b>	<b><u>\$ 98,499</u></b>	<b><u>\$ 1,070,511</u></b>	<b><u>\$ 2,448,696</u></b>

**CITY OF WOODBURN**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
OTHER ENTERPRISE FUNDS  
Year Ended June 30, 2006**

	Water System Development	Wastewater Capital Improvement	Wastewater System Development	Totals
<b>OPERATING EXPENSES</b>				
Material and services	\$ 33,297	\$ 26,000	\$ --	\$ 59,297
Operating (loss)	(33,297)	(26,000)	--	(59,297)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest	48,851	3,576	45,857	98,284
Other	--	29,507	--	29,507
Interest	(170,834)	(10,152)	(361,487)	(542,473)
Total nonoperating revenues (expenses)	(121,983)	22,931	(315,630)	(414,682)
(Loss) before transfers and contributions	(155,280)	(3,069)	(315,630)	(473,979)
<b>TRANSFERS AND CONTRIBUTIONS</b>				
Capital contributions	311,247	--	475,827	787,074
Transfers out	(217,148)	(18,950)	(232,031)	(468,129)
Total transfers and contributions	94,099	(18,950)	243,796	318,945
Change in net assets	(61,181)	(22,019)	(71,834)	(155,034)
Net assets - beginning of year	1,340,867	120,518	1,142,345	2,603,730
Net assets - end of year	\$ 1,279,686	\$ 98,499	\$ 1,070,511	\$ 2,448,696

**CITY OF WOODBURN**

**COMBINING STATEMENT OF CASH FLOWS  
OTHER ENTERPRISE FUNDS  
Year Ended June 30, 2006**

	Water System Development	Wastewater Capital Improvement	Wastewater System Development	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash paid to suppliers	\$ (33,297)	\$ (26,000)	\$ -	\$ (59,297)
Other	-	14,753	-	14,753
Net cash (used in) operating activities	(33,297)	(11,247)	-	(44,544)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	311,247	-	475,827	787,074
Acquisition of capital assets	(217,148)	(18,950)	(232,031)	(468,129)
Interest paid on long-term obligations	(170,834)	(10,152)	(361,487)	(542,473)
Net cash (used in) capital and related financing activities	(76,735)	(29,102)	(117,691)	(223,528)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	48,851	3,576	45,857	98,284
Net (decrease) in cash and cash equivalents	(61,181)	(36,773)	(71,834)	(169,788)
Cash and cash equivalents - beginning of year	1,340,867	120,518	1,142,345	2,603,730
Cash and cash equivalents - end of year	<u>\$ 1,279,686</u>	<u>\$ 83,745</u>	<u>\$ 1,070,511</u>	<u>\$ 2,433,942</u>
<b>Reconciliation of operating (loss) to net cash (used in) operating activities</b>				
Operating (loss)	\$ (33,297)	\$ (26,000)	\$ -	\$ (59,297)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities				
Other	-	29,507	-	29,507
(Increase) decrease in assets				
Receivables		(14,754)		(14,754)
Net cash (used in) operating activities	<u>\$ (33,297)</u>	<u>\$ (11,247)</u>	<u>\$ -</u>	<u>\$ (44,544)</u>

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WATER SYSTEM DEVELOPMENT - ENTERPRISE FUND Year Ended June 30, 2006

	Budget	Actual	Variance
<b>REVENUES</b>			
System development charges	\$ 300,000	\$ 311,247	\$ 11,247
Interest	20,000	48,851	28,851
<b>TOTAL REVENUES</b>	<u>320,000</u>	<u>360,098</u>	<u>40,098</u>
<b>EXPENDITURES</b>			
Materials and services	41,400	--	41,400
Capital outlay	166,000	33,297	132,703
Debt service	460,000	387,982	72,018
Contingency	783,225	--	783,225
<b>TOTAL EXPENDITURES</b>	<u>1,450,625</u>	<u>421,279</u>	<u>1,029,346</u>
Net change in fund balance	(1,130,625)	(61,181)	1,069,444
Fund balance - beginning	<u>1,340,867</u>	<u>1,340,867</u>	<u>--</u>
Fund balance - beginning	<u>\$ 210,242</u>	<u>\$ 1,279,686</u>	<u>\$ 1,069,444</u>

### Reconciliation to generally accepted accounting principles

Net assets - ending	<u>\$ 1,279,686</u>
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**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WASTEWATER CAPITAL IMPROVEMENT - ENTERPRISE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,500	\$ 3,576	\$ 2,076
Other	<u>14,754</u>	<u>29,507</u>	<u>14,753</u>
<b>TOTAL REVENUES</b>	<u>16,254</u>	<u>33,083</u>	<u>16,829</u>
<b>EXPENDITURES</b>			
Capital outlay	26,000	26,000	--
Debt service	29,102	29,102	--
Contingency	<u>81,670</u>	<u>--</u>	<u>81,670</u>
<b>TOTAL EXPENDITURES</b>	<u>136,772</u>	<u>55,102</u>	<u>81,670</u>
Net change in fund balance	(120,518)	(22,019)	98,499
Fund balance - beginning	<u>120,518</u>	<u>120,518</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ 98,499</u>	<u>\$ 98,499</u>

**Reconciliation to generally accepted accounting principles**

Net assets - ending	<u>\$ 98,499</u>
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**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WASTEWATER SYSTEM DEVELOPMENT - ENTERPRISE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
System Development Charges	\$ 500,000	\$ 475,827	\$ (24,173)
Interest	<u>16,000</u>	<u>45,857</u>	<u>29,857</u>
<b>TOTAL REVENUES</b>	<u>516,000</u>	<u>521,684</u>	<u>5,684</u>
<b>EXPENDITURES</b>			
Materials and services	15,000	--	15,000
Debt service	593,518	593,518	--
Contingency	<u>26,325</u>	<u>--</u>	<u>26,325</u>
<b>TOTAL EXPENDITURES</b>	<u>634,843</u>	<u>593,518</u>	<u>41,325</u>
Net change in fund balance	(118,843)	(71,834)	47,009
Fund balance - beginning	<u>1,231,397</u>	<u>1,142,345</u>	<u>(89,052)</u>
Fund balance - ending	<u>\$ 1,112,554</u>	<u>\$ 1,070,511</u>	<u>\$ (42,043)</u>

**Reconciliation to generally accepted accounting principles**

Net assets - ending	<u>\$ 1,070,511</u>
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# CITY OF WOODBURN

## COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS June 30, 2006

	Central Store Working Capital	Self- Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b><u>ASSETS</u></b>					
Current assets					
Cash and investments	\$ (4,985)	\$ 234,077	\$ 386,981	\$ 68,252	\$ 684,325
Receivables	--	--	2,987	--	2,987
Inventories	8,830	--	--	--	8,830
Total current assets	3,845	234,077	389,968	68,252	696,142
Capital assets, net of depreciation	--	--	356,550	3,206	359,756
<b>TOTAL ASSETS</b>	<b>3,845</b>	<b>234,077</b>	<b>746,518</b>	<b>71,458</b>	<b>1,055,898</b>
<b><u>LIABILITIES</u></b>					
Current liabilities					
Accounts payable and accrued items	285	19,483	14,295	16,409	50,472
Customer deposits	--	--	2,000	--	2,000
Compensated absences payable	--	--	61,388	33,493	94,881
<b>TOTAL LIABILITIES</b>	<b>285</b>	<b>19,483</b>	<b>77,683</b>	<b>49,902</b>	<b>147,353</b>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	--	--	356,550	3,206	359,756
Unrestricted	3,560	214,594	312,285	18,350	548,789
<b>TOTAL NET ASSETS</b>	<b>\$ 3,560</b>	<b>\$ 214,594</b>	<b>\$ 668,835</b>	<b>\$ 21,556</b>	<b>\$ 908,545</b>

# CITY OF WOODBURN

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS Year Ended June 30, 2006

	Central Store Working Capital	Self- Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ --	\$ --	\$ 65,564	\$ --	\$ 65,564
Rents	--	--	--	487,684	487,684
Total operating revenues	--	--	65,564	487,684	553,248
<b>OPERATING EXPENSES</b>					
Personal services	--	15,713	754,208	247,609	1,017,530
Material and services	15,337	389,040	175,809	282,772	862,958
Depreciation	--	--	19,231	664	19,895
Total operating expenses	15,337	404,753	949,248	531,045	1,900,383
Operating (loss)	(15,337)	(404,753)	(883,684)	(43,361)	(1,347,135)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest	(98)	2,704	14,663	3,609	20,878
Other	7,600	403,446	165,843	--	576,889
(Loss) on disposal of capital assets	--	--	(3,715)	--	(3,715)
Total nonoperating revenues (expenses)	7,502	406,150	176,791	3,609	594,052
Income (loss) before operating transfers	(7,835)	1,397	(706,893)	(39,752)	(753,083)
<b>OPERATING TRANSFERS</b>					
Transfers in	--	--	824,000	16,615	840,615
Transfers out	--	--	(27,745)	(2,124)	(29,869)
Total operating transfers	--	--	796,255	14,491	810,746
Change in net assets	(7,835)	1,397	89,362	(25,261)	57,663
Net assets - beginning of year	11,395	213,197	579,473	46,817	850,882
Net assets - end of year	\$ 3,560	\$ 214,594	\$ 668,835	\$ 21,556	\$ 908,545

# CITY OF WOODBURN

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS Year Ended June 30, 2006

	Central Store Working Capital	Self- Insurance	Technical and Environmental Services	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ -	\$ -	\$ 64,242	\$ 487,684	\$ 551,926
Payments to suppliers	(15,607)	(376,769)	(163,959)	(284,316)	(840,651)
Payments to employees	-	(15,713)	(756,746)	(239,564)	(1,012,023)
Other	7,600	403,446	165,843	-	576,889
Net cash provided by (used in) operating activities	(8,007)	10,964	(690,620)	(36,196)	(723,859)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Cash transfers in	-	-	824,000	16,615	840,615
Cash transfers out	-	-	(27,745)	(2,124)	(29,869)
Net cash provided by non-capital financing activities	-	-	796,255	14,491	810,746
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest	(98)	2,704	14,663	3,609	20,878
Net increase (decrease) in cash and cash equivalents	(8,105)	13,668	120,298	(18,096)	107,765
Cash and cash equivalents - beginning of year	3,120	220,409	266,683	86,348	576,560
Cash and cash equivalents - end of year	<u>\$ (4,985)</u>	<u>\$ 234,077</u>	<u>\$ 386,981</u>	<u>\$ 68,252</u>	<u>\$ 684,325</u>
<b>Reconciliation of operating (loss) to net cash provided by (used in) operating activities</b>					
Operating (loss)	\$ (15,337)	\$ (404,753)	\$ (883,684)	\$ (43,361)	\$ (1,347,135)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities					
Depreciation	-	-	19,231	664	19,895
Other	7,600	403,446	165,843	-	576,889
(Increase) decrease in assets					
Receivables	-	-	(1,322)	-	(1,322)
Inventories	(270)	-	-	-	(270)
Increase (decrease) in liabilities					
Accounts payable and accrued items	-	12,271	11,850	(1,544)	22,577
Compensated absences payable	-	-	(2,538)	8,045	5,507
Net cash provided by (used in) operating activities	<u>\$ (8,007)</u>	<u>\$ 10,964</u>	<u>\$ (690,620)</u>	<u>\$ (36,196)</u>	<u>\$ (723,859)</u>

**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CENTRAL STORE WORKING CAPITAL - INTERNAL SERVICE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ --	\$ (98)	\$ (98)
Other	<u>10,900</u>	<u>7,600</u>	<u>(3,300)</u>
<b>TOTAL REVENUES</b>	<u>10,900</u>	<u>7,502</u>	<u>(3,398)</u>
<b>EXPENDITURES</b>			
Materials and services	19,000	15,337	3,663
Contingencies	<u>9,000</u>	<u>--</u>	<u>9,000</u>
<b>TOTAL EXPENDITURES</b>	<u>28,000</u>	<u>15,337</u>	<u>12,663</u>
Net change in fund balance	(17,100)	(7,835)	9,265
Fund balance - beginning	<u>17,100</u>	<u>11,395</u>	<u>(5,705)</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ 3,560</u>	<u>\$ 3,560</u>

**Reconciliation to generally accepted accounting principles**

Net assets - ending	<u>\$ 3,560</u>
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**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SELF-INSURANCE - INTERNAL SERVICE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,000	\$ 2,704	\$ 1,704
Other	<u>428,262</u>	<u>403,446</u>	<u>(24,816)</u>
<b>TOTAL REVENUES</b>	<u>429,262</u>	<u>406,150</u>	<u>(23,112)</u>
<b>EXPENDITURES</b>			
Personal services	20,335	15,713	4,622
Materials and services	564,850	389,040	175,810
Contingency	<u>57,955</u>	<u>--</u>	<u>57,955</u>
<b>TOTAL EXPENDITURES</b>	<u>643,140</u>	<u>404,753</u>	<u>238,387</u>
Net change in fund balance	(213,878)	1,397	215,275
Fund balance - beginning	<u>213,878</u>	<u>213,197</u>	<u>(681)</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ 214,594</u>	<u>\$ 214,594</u>

**Reconciliation to generally accepted accounting principles**

Net assets - ending	<u>\$ 214,594</u>
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**CITY OF WOODBURN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
TECHNICAL AND ENVIRONMENTAL SERVICES - INTERNAL SERVICE FUND  
Year Ended June 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 104,750	\$ 65,564	\$ (39,186)
Interest	4,000	14,663	10,663
Other	<u>89,507</u>	<u>165,843</u>	<u>76,336</u>
<b>TOTAL REVENUES</b>	<u>198,257</u>	<u>246,070</u>	<u>47,813</u>
<b>EXPENDITURES</b>			
Public works administration	190,321	169,918	20,403
Engineering	773,933	672,029	101,904
Central garage	95,924	90,608	5,316
Contingency	<u>133,297</u>	<u>--</u>	<u>133,297</u>
<b>TOTAL EXPENDITURES</b>	<u>1,193,475</u>	<u>932,555</u>	<u>260,920</u>
Excess (deficiency) of revenues over expenditures	<u>(995,218)</u>	<u>(686,485)</u>	<u>308,733</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	824,000	824,000	--
Transfers out	<u>(28,215)</u>	<u>(27,745)</u>	<u>470</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>795,785</u>	<u>796,255</u>	<u>470</u>
Net change in fund balance	(199,433)	109,770	309,203
Fund balance at beginning of year	<u>263,903</u>	<u>263,903</u>	<u>--</u>
Fund balance at end of year	<u>\$ 64,470</u>	373,673	<u>\$ 309,203</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net of depreciation		356,550	
Compensated absences payable		<u>(61,388)</u>	
Net assets - ending		<u>\$ 668,835</u>	

# CITY OF WOODBURN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL BUILDING MAINTENANCE - INTERNAL SERVICE FUND

Year Ended June 30, 2006

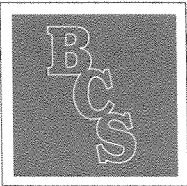
	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 492,122	\$ 487,684	\$ (4,438)
Interest	800	3,609	2,809
<b>TOTAL REVENUES</b>	<u>492,922</u>	<u>491,293</u>	<u>(1,629)</u>
<b>EXPENDITURES</b>			
Personal services	240,225	239,564	661
Materials and services	315,845	282,772	33,073
Contingency	315	--	315
<b>TOTAL EXPENDITURES</b>	<u>556,385</u>	<u>522,336</u>	<u>34,049</u>
Excess (deficiency) of revenues over expenditures	<u>(63,463)</u>	<u>(31,043)</u>	<u>32,420</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	16,615	16,615	--
Transfers out	(2,124)	(2,124)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>14,491</u>	<u>14,491</u>	<u>--</u>
Net change in fund balance	(48,972)	(16,552)	32,420
Fund balance at beginning of year	61,520	68,395	6,875
Fund balance at end of year	<u>\$ 12,548</u>	51,843	<u>\$ 39,295</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Capital asset, net of depreciation		3,206	
Compensated absences payable		<u>(33,493)</u>	
Net assets - ending		<u>\$ 21,556</u>	

## **DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Programs Funded from Outside Source*
- *Highway Funds*
- *Investments*
- *Public Contracts and Purchasing*





**BOLDT, CARLISLE & SMITH LLC**

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

**CITY OF WOODBURN**

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS  
Year Ended June 30, 2006**

*Accounting and Internal Controls*

The broad objectives of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that financial records are reliable to permit the preparation of financial statements. The following operative objectives are necessary to achieve the broad objectives:

- a. Transactions are executed in accordance with management's general or specific authorization.
- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. Any projection of a current evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with prescribed procedures may deteriorate.

The accounting records and internal controls are adequate considering the size and complexity of the municipal corporation's financial activities.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM  
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

Collateral

ORS 295.015 requires collateral pool certificates of participation to be obtained from the pool manager of the depository in an amount equal to the funds on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Collateral pool certificates warrant that the pool manager holds custodian's receipts for eligible securities pledged by the depository bank to secure deposits of public funds of a value as of the last valuation date of not less than 25 percent of the aggregate amount of certificates outstanding. At June 30, 2006, the deposits of the City were covered by the following collateral pool certificates:

<u>Depository Bank</u>	<u>Pool Manager</u>	<u>Amount</u>
U S Bank	Oregon State Treasury	\$ 4,000,000

During the year deposits were secured in accordance with ORS 295.015.

Indebtedness

The legal debt limitation has not been exceeded.

Budget

1. Preparation and adoption

The budgets for the years ended June 30, 2007 and 2006 were prepared and adopted in compliance with legal requirements, except the adopted annual program budgets did not agree to the ordinances making the annual appropriations.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

Budget (continued)

2. Execution

The budget for the year ended June 30, 2006, was executed in compliance with legal requirements, except that expenditures in excess of appropriations (which is prohibited by ORS 294.435) were made in the following category:

<u>Fund/Appropriations Category</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General			
Non-departmental	\$ 153,672	\$ 156,594	\$ (2,922)

Prior to overexpending an appropriation category, the City Council may, by resolution (ORS 294.450), transfer amounts between appropriation categories.

Insurance and Fidelity Bonds

The City's insurance agent confirmed that the following policies were in force at June 30, 2006:

<b>Company</b>	<b>Policy Number</b>	<b>Coverage</b>	<b>Limit</b>	<b>Term</b>
City County Insurance	05LWDB	General and Auto Liability	\$5,000,000 CSL	07-01-05/06
	05APDWBD	Auto Physical Damage	Per Agreement	07-01-05/06
	05PWBD	Property/Mobile Equipment	\$52,255,226	07-01-05/06
	05BWBD	Boiler and Machinery	Per Property Schedule	07-01-05/06
NLC Mutual	05E	Excess Earthquake	N/A	07-01-05/06
Fidelity and Deposit	05C	Excess Crime	N/A	07-01-05/06

Our audit did not include a determination of adequacy of coverage since we are not trained to make such a determination. However, insurance coverage appears to comply with legal requirements.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM  
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

Insurance and Fidelity Bonds (continued)

The City has obtained fidelity bond coverage for the following personnel:

Finance officer	\$ 100,000
Public employees blanket bond	50,000

Programs Funded From Outside Sources

The City operated various programs funded wholly or partially by governmental agencies. Financial transactions of the various programs were audited to the extent deemed appropriate and were in compliance with applicable rules and regulations. In addition to our audit, these programs are subject to further review by state and federal audit agencies.

Highway Funds

The City used revenue from taxes on motor vehicle fuel use in compliance with ORS 373.240 to 373.250.

Investments

Funds of the City were invested in compliance with ORS 294.035.

Public Contracts and Purchasing

1. Awarding of public contracts

The City awarded public contracts in accordance with ORS 279.

2. Construction of public improvements

The City constructed public improvements in accordance with ORS 279.

**Boldt, Carlisle & Smith, LLC**  
Certified Public Accountants  
Salem, Oregon  
September 22, 2006